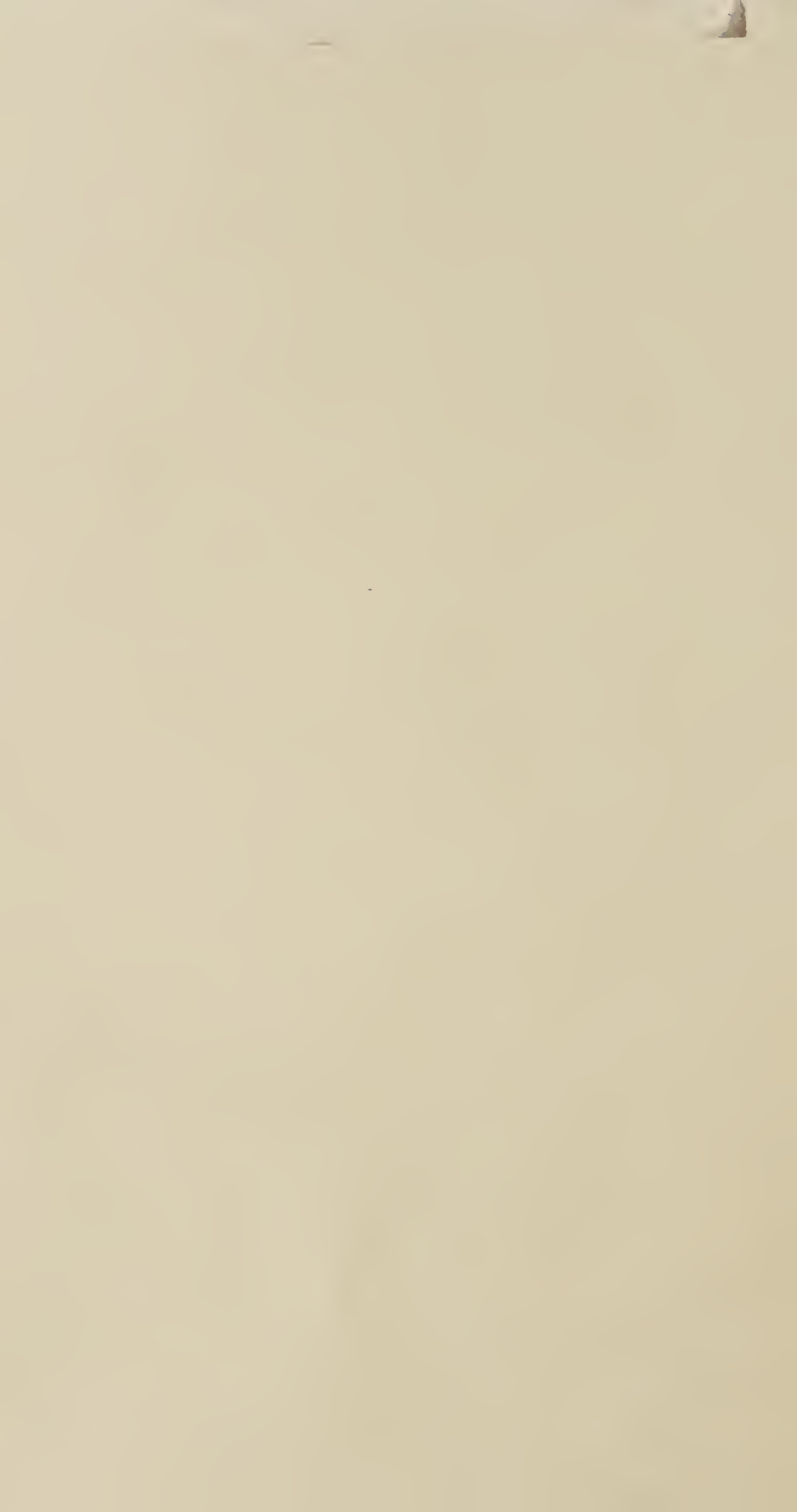


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PROCESSING AND DISTRIBUTION OF
DONATED FOOD COMMODITIES

HEARING
BEFORE THE
SUBCOMMITTEE ON DOMESTIC MARKETING
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
EIGHTY-FOURTH CONGRESS
FIRST SESSION
ON
H. R. 2851

A BILL TO AUTHORIZE THE COMMODITY CREDIT
CORPORATION TO PROCESS FOOD COMMODITIES
FOR DONATION UNDER CERTAIN ACTS

MARCH 30, APRIL 28, AND MAY 2, 1955

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PROCESSING AND DISTRIBUTION OF DONATED FOOD COMMODITIES

WEDNESDAY, MARCH 30, 1955

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DOMESTIC MARKETING OF THE
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The subcommittee met, pursuant to call, at 10 a. m., in room 1310 New House Office Building, Hon. George M. Grant, chairman of the subcommittee, presiding.

Mr. GRANT. The committee will come to order.

We have a series of bills this morning introduced by several Members of the House.

(H. R. 2851 is as follows:)

[H. R. 2851, 84th Cong., 1st sess.]

A BILL To authorize the Commodity Credit Corporation to process food commodities for donation under certain Acts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 407 of the Agricultural Act of 1949 is amended to read as follows: "Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodity to the Corporation in store, the cost of processing it into a form suitable for home or institutional use if it is a food commodity, and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State."

SEC. 2. The next to last sentence of section 416 of the Agricultural Act of 1949 is amended to read as follows: "The Commodity Credit Corporation may pay (i) with respect to food commodities disposed of under this section, the cost of processing them into a form suitable for home or institutional use, and (ii) with respect to all commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States."

Mr. GRANT. I notice that several Members are here. One of our colleagues, Mr. Perkins of Kentucky introduced H. R. 2871. He has a very important committee meeting that he wishes to get to. We will be glad to hear from Mr. Perkins at this time.

STATEMENT OF HON. CARL D. PERKINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. PERKINS. Mr. Chairman, members of the committee, I appreciate the opportunity to appear here this morning to ask this committee to pass legislation providing for an adequate diet for starving people in this Nation. I noticed in the press this morning the state-

ment of Secretary Benson about the disposal of the surplus commodities. I feel quite confident, Mr. Chairman, that we have yet millions of bushels of wheat available that could be put to a useful purpose in this country if it was made available to the starving people that we have in the distressed areas, and we do have them by the hundreds of thousands, where we have an insured unemployment rate above 20 percent in this country. That condition prevails in the Seventh Congressional district of Kentucky in the mining counties, Pike, Letcher, Floyd, Perry, and in my home county we have an insured unemployment rate of above 80 percent.

It seems to me that when the people lack this purchasing power and are hungry, and we have surplus commodities, that we certainly should make those commodities available.

Now, Mr. Chairman, I have a joint statement signed by Alben W. Barkley, Senator, Earle C. Clements, Senator, and myself.

The Commodity Credit Corporation has interpreted the current act covering the disposal of surplus food products to authorize the processing of surplus farm products for shipment overseas, but prohibiting such action for surplus commodities distributed to the unemployed and needy in this country. There are a number of bills before this committee, including H. R. 2871, to authorize the processing of wheat into flour or the processing of any food commodity which is to be distributed either through the school-lunch program, approved relief organizations, State or local government agencies.

The unemployment which this country faces during the coming year is of major proportions. In this month of March 1955, approximately 10 percent of the insured workers of Kentucky (to be specific, for the week ending March 12, 9.6 percent) are receiving unemployment insurance checks. During the calendar year 1954, 31.5 percent of all claimants exhausted their insurance rights, and the rate of exhaustions is now higher than it was a year ago. The total number of Kentucky claimants exhausting their benefits during the calendar year of 1954 was equal to 8 percent of all the workers covered by the unemployment insurance in the State. It is reasonable to assume that approximately one-half of these 33,000 workers who exhausted their benefit rights during the past year are now unemployed and ineligible for unemployment insurance payments. The national total of exhaustions was more than 1,750,000.

The economic outlook, and in particular the imminent curtailment of automobile production, is such that there is no reasonable hope that these unemployed workers will be recalled to their jobs in the immediate future. This is only one of the large areas in the Nation, particularly in the mining areas, where unemployment is approaching depression proportions. We find similar situations in the coal fields of Illinois, Ohio, Pennsylvania, West Virginia, the textile producing areas, and a number of other industrial centers where business activity is far below normal. The net result is a large number of labor-market areas have a major problem of unemployment. The same causes that have resulted in this unemployment have also curtailed the revenues of the local and State governments. These areas are doing everything possible to alleviate suffering among the unemployed, but their resources in the face of declining business activity are entirely inadequate, and even though they may be willing, they are not financially

able to take on additional expenses such as the processing of surplus agricultural commodities.

The unemployed workers as well as the citizens and the officials in these areas cannot understand why the Commodity Credit Corporation is authorized to process farm products for overseas use by unemployed and needy persons, while such action is prohibited for our own use. The 3 million or 4 million unemployed workers in this country feel that they should receive equal treatment with the unemployed in foreign countries. The actual cost of processing food products such as wheat will probably be no more than the cost of storage for the coming year, and in many cases may not equal such costs. However, the actual costs or savings are less important than other considerations such as the relief from starvation and suffering of our unemployed workers and their families.

We feel sure that this committee does not agree with that group which points out that stock prices are higher, brokers loans are increasing, national production is greater than it was in 1954, corporation profits are higher and most business activity is up from last year's levels, and ignores the fact that employment totals are actually lower than they were in 1954, despite the annual increase in our labor force. In fact, the joint report on February employment which is the latest available, prepared by the Census Bureau and the Bureau of Labor Statistics, estimates a decrease in the number of jobs in the manufacturing industries since February 1954 of 240,000, while overall employment may have decreased by as much as 400,000. This downward trend in employment which began in August 1953 refuses to disappear. There is every reason to hope for a seasonal upturn during the next 2 months but no sound reason to hope that it will be of such proportions as to relieve the critical areas of unemployment in this country.

By the end of March the automobile industry will have produced more than 2¼ million units, and the current rate of production is such that the 5 million figure will be reached some time in July, and the month of August will see a production figure equal to or in excess of the anticipated automobile sales for the entire calendar year. What will happen when this major industry cuts back its production schedule in line with the anticipated demand? The demand for steel may drop as much as 10 percent with a corresponding drop in demand for coal. Unemployment will increase and become more widespread. Will we see breadless headlines with a law prohibiting the processing of wheat and other food products by the only Government agency with available foodstuffs?

Now, Mr. Chairman, if the Secretary of Agriculture is unaware of these conditions, he certainly by the least effort could discover the true facts. I just wish that I could take the Secretary down in the district that I represent and let him see some of these facts himself. I think he would take a different attitude than he is taking.

Mr. KING. What attitude do you refer to?

Mr. PERKINS. I refer to the attitude that he is opposing making flour available to the hungry people who have no purchasing power. I understand that is the Department's position. I hope I am wrong.

We should at least authorize the Commodity Credit Corporation to process its surplus agricultural commodities in the same way that it is

now processing these commodities which are donated to starving populations in foreign countries. That is all we are asking.

We hope this committee will be able to report out a bill authorizing the Commodity Credit Corporation to process surplus food commodities for the relief of the suffering of unemployed American workers and their families.

I submit that statement which is a statement of the Honorable Earle C. Clements, United States Senator; Hon. Alben W. Barkley, United States Senator; and myself.

Mr. GRANT. Mr. Perkins thank you very much for your statement.

Mr. PERKINS. Thank you, Mr. Grant.

Mr. GRANT. You speak here of processing foods. Do you have in mind any other food other than wheat?

Mr. PERKINS. I would say corn meal, but particularly wheat.

Mr. GRANT. To follow up—

Mr. PERKINS. But the law should be general so it will apply to all commodities.

Mr. GRANT. To follow that a step further, by the processing do you mean the wheat into flour or wheat into bread?

Mr. PERKINS. Into flour, that is correct. I was down in a conference, and the Department contends it has no authority under the present act. If I recall correctly, I took it to be the intention of the Agriculture Committee here—perhaps it was 2 years ago—to convey that authority to the Department at that time, but there was a slip-up somewhere along the line in the language. That is what the Department informs me.

Mr. GRANT. Mr. King, do you have any questions?

Mr. KING. Mr. Perkins, do I correctly take it from your statement that you think the Commodity Credit Corporation should pay the bill for turning wheat into bread for distribution in your territory?

Mr. PERKINS. Wheat into flour; yes.

Mr. KING. Who is going to pay for the final baking?

Mr. PERKINS. I think if you grant the authority that an arrangement can be worked out with any of the milling houses where they will give us flour in return for the wheat in order to get the byproducts from the wheat. I don't think there is any doubt about that. Certainly the local people cannot pay for the processing because they don't have any purchasing power.

Mr. KING. You would like to see the CCC provide the bread to the needy?

Mr. PERKINS. I certainly would, especially when we have a surplus of wheat. I would like to see a bill from this committee to put the people in this country on the same footing as recipients of commodities in foreign countries. I cannot see where anybody would object to that.

Mr. KING. It seems entirely fair that if you do it in one place you should do it in another.

Mr. PERKINS. That is right. That is all we are asking.

Mr. KING. I am wondering if you believe that the Government distribution of bread directly by the Commodity Credit Corporation in your territory will solve the economic problem in your territory?

Mr. PERKINS. Certainly it will not solve the economic problem in my area. A few years ago we had more than 30,000 coal miners employed. Today we have about 8,000 or 8,500. We have families there by the thousands with no purchasing power, living by hand to

mouth, or any way that they can get hold of food. Of course the commodities they receive from the Government certainly have been a great asset to their living standards. In other words, to just let them eat, and that is all, but it is not going to solve the economic problems. Our hungry people are entitled to these surplus commodities when we have them on hand, at least certainly to the extent that we feed hungry people abroad.

Mr. KING. In other words, you have a relief problem down there that the Federal Government has an obligation to take care of.

Mr. PERKINS. Certainly it is the duty of the Government in the circumstances to use all of the resources at its command. That is my feeling about the situation.

Mr. KING. I think I have heard it argued by those who believe that the Government should be involved in this surplus food business that the wheat in a loaf of bread costs less than 3 cents, whereas the loaf of bread costs 15 or 16 cents. If the Government undertakes the complete processing and delivering of bread, that means in the disposal of these products the cost to the Government might be as much as five times its loss on just picking it up under this farm price support program.

Mr. PERKINS. I think your assumption is unreasonable for this reason. In Kentucky today the highway department is furnishing transportation to deliver these commodities from the train.

Mr. KING. Is that State or Federal?

Mr. PERKINS. In the State of Kentucky.

Mr. KING. Is that the State?

Mr. PERKINS. To the local welfare agencies in the various counties. Of course, that is done at the cost to the State highway department. But you would ship the wheat out to the milling houses, and I am certain that the welfare agencies could make arrangements through some State agencies to pick the wheat up after it was processed into flour at the milling houses, and take it to the points of distribution, just as they pick the other surplus commodities up and distribute those commodities to the points of distribution at the present time without cost to the Government. In other words, without all the excess cost that you are talking about.

Mr. KING. Mr. Perkins, you realize, do you not, that the basic reasoning in the price support program was the Government purchase of surplus commodities so that they are taken off the domestic market?

Mr. PERKINS. I certainly do.

Mr. KING. Assuming that by taking them off the domestic market they would maintain a good price in the free market. So when the Commodity Credit Corporation, acting for the Government, redistributes these surplus foods domestically through relief programs, school lunch programs, free gifts to all public institutions, it is sort of making a fraud out of the whole program as far as the farmers are concerned.

Mr. PERKINS. I certainly disagree with you. It is certainly making a fraud out of the whole program, in my judgment, not to do it. I know that it is not the purpose of the price support program to process commodities or distribute commodities that are purchased by the Commodity Credit Corporation in competition with private concerns. I well realize that. But here we are dealing with starving people that

don't have any purchasing power, so we don't have that competition. That is my answer to your question.

Mr. KING. Certainly you appeal to the justice of keeping the people eating who are destitute.

Mr. PERKINS. That is right, who are destitute. The language in the bill should so provide.

Mr. KING. We have always committed ourselves to that through our relief program without injecting it into another program involving the Commodity Credit Corporation in processing, and what will follow is that the Commodity Credit Corporation is going to come up with expenses that won't be shown as relief, but as losses to the farm program.

Mr. PERKINS. Suppose they do come up with some expenses necessary in making some flour available to some hungry people, until we can cure some of these economic ills through other methods, I don't think there is a Member in this Congress who would object to that. We are only asking that these people receive justice, and that they be put on the same basis with people in foreign countries. I know you believe in that.

Mr. KING. Surely. You recognize, of course, that the solution of your problem down there is really a countrywide problem of adjusting our economy. It might involve some movement under the mobile economic system that we have in this country, because if the coal business is down, and is going to stay down, there is no solution short of those people seeking employment elsewhere. I noticed you did point out the exceptional prosperity of some of the big corporations. If you have a relief program down there, it is a mighty good thing that in our economy we have some very prosperous industries else this Government would not be able to collect the taxes to put down there to support those people.

Mr. PERKINS. I see the gentleman's viewpoint, but it certainly will be a sad day in this country when we don't recognize economic conditions in distressed areas, and so determined distressed by the Labor Department here in Washington. These people are unable to migrate and get jobs elsewhere. Most of these men are over 40 years of age, 50, 55, and there are no jobs for them. They have been trained in the mines. Here they are in these communities and they cannot get another job in the mines.

Mr. KING. I understand all that, but why do you submit to the Committee on Agriculture that relief problem? Why do you not go and ask for additional relief. You are complicating a program here.

Mr. PERKINS. We are trying to get these hungry people a halfway decent diet. We figure if we can get the flour when we have the surplus—that has been paid for by this Government—it seems to me that we will be derelict in our duty if we don't make it available to hungry people in America that don't have any purchasing power. That is all we are asking. We don't want any legislation here that will destroy the price support programs or the Commodity Credit Corporation, or anything else, and this certainly will not do it.

Mr. KING. What Commodity Credit has is now available. You are wanting them, however, to step out of just the handling of surplus commodities, and go into the processing business so that it will be a

little more convenient and a little less expensive to get the product to the people in edible form.

Mr. PERKINS. I think the gentleman agreed with me a few moments ago that our unemployed and hungry people in this country certainly should be receiving equal treatment with the unemployed in the foreign countries today. That is the point I am deeply concerned about. The people in America in these distressed areas are concerned about it. It will hurt the Commodity Credit Corporation in my judgment not to do it.

Mr. KING. I agree with you on that particular point but one complication does not necessarily justify another.

Mr. PERKINS. When we carry the legislation that far to put us in an equal category—the unemployed and starving people with those in foreign countries—that is as far as I want you to go. That will enable the distressed people to get flour, then.

Mr. KING. I certainly do not want to withhold anything in the form of relief that your territory needs, believing at the same time that relief will not solve your problem.

Mr. PERKINS. Of course, we have to hope for the best in the future.

Mr. KING. On this committee there has been a constant argument as to the cost of this price support program, and they don't want to see anything charged to this price support program that should be charged to some other program.

Mr. PERKINS. I have heard that argument on the floor every year.

Mr. KING. If this committee sees the implications of your contentions here, they will oppose it, because they don't want it to show up as a cost to the farm program. They would rather get the money from the relief agencies.

Mr. GRANT. Mr. Jennings.

Mr. JENNINGS. Mr. Perkins, to clarify one point here, I believe the Commodity Credit Corporation now has the authority and are presently distributing such foods—last month, for instance—butter, shortening, beans, dried milk, rice and cheese.

Mr. PERKINS. That is correct.

Mr. JENNINGS. And you are merely asking that flour be added to that list?

Mr. PERKINS. That is correct.

Mr. JENNINGS. You are not asking that bread be added to this list, because you anticipate that they will do that processing?

Mr. PERKINS. That is right. I imagine the gentlemen a few minutes ago misunderstood. We usually refer to bread as wheat, although technically that reference is wrong.

Mr. JENNINGS. That is correct.

Mr. PERKINS. That is correct. I only wanted the processing into flour. That is all we are asking.

Mr. KING. Your most expensive step is yet to take place at somebody's expense.

Mr. PERKINS. I don't think it will be expensive at all.

Mr. JENNINGS. That expense will be borne, will it not, by the recipient of this food?

Mr. PERKINS. Of course some welfare program somewhere will bear that expense.

Mr. JENNINGS. I mean the processing of flour into bread. You are not asking that the Commodity Credit put it into the form of bread. You are merely asking that it be put in the form of flour.

Mr. PERKINS. That is right.

Mr. JENNINGS. And the flour distributed but not distributed as a loaf of bread.

Mr. PERKINS. That is right.

Mr. KING. You mean they are all going to turn back to doing their own baking down there?

Mr. PERKINS. These people always do their own baking, my friend. I am sorry if that misunderstanding prevailed there. I meant flour, although I used the term bread.

Mr. GRANT. Thank you very much, Mr. Perkins, for your excellent statement.

Mr. PERKINS. Thank you very much, Mr. Chairman.

Mr. GRANT. I believe Mr. Van Zandt is the next gentleman who came in.

STATEMENT OF HON. JAMES E. VAN ZANDT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. VAN ZANDT. Thank you, Mr. Chairman. I have a meeting of the Atomic Energy Committee this morning, and it is very important I be there. Therefore, I appreciate the fact that you have recognized me at this time.

In the early days of this Congress, I introduced several bills concerning surplus commodities. I want to call to your attention two of those bills, H. R. 3144 and 3145. H. R. 3144 amends section 407 of the Agricultural Act of 1949, as amended, by providing for direct distribution of surplus agricultural commodities in distressed areas, and for other purposes. H. R. 3145 provides for direct distribution of surplus agricultural commodities and products to relieve acute distress due to unemployment, and for other purposes.

Mr. Chairman, both of these bills contain a proviso which concerns the processing of surplus wheat into flour and corn into meal.

Before I comment on the provisions that provides for the processing of wheat into flour and corn into meal, I would like to tell the committee about the unemployment problem that we have in central Pennsylvania. Yesterday, the Neely Subcommittee of the United States Senate Committee on Labor and Public Welfare, held a hearing in my congressional district at Altoona, Pa., taking testimony regarding the unemployment situation in that part of Pennsylvania, and the reasons for such unemployment. I am sorry that the members of this subcommittee were not there, because they would have certainly heard facts and figures that make us realize that while we are living in a prosperous country, yet we have thousands of good Americans unemployed.

Basically our unemployment in central Pennsylvania can be attributed to a sick coal industry, with the result that related industries such as the railroads are adversely affected. To give some idea of the unemployment, 18.6 percent of all employables in the central Pennsylvania area are unemployed. Among these unemployed are thousands of coal miners, thousands of railroad workers, and thou-

sands of employees in brickyards, quarries, and other industries. These unemployed people have exhausted their rights to unemployment benefits, and are now living on surplus food and public assistance benefits after having been required to give the Department of Public Assistance of the State of Pennsylvania a lien on their home to guarantee repayment of DPA benefits.

Mr. Chairman, to give you some idea of the unemployment problem in our part of Pennsylvania, I have here a chart that covers my three-county area.

(The chart referred to is as follows:)

TABLE 1.—*Surplus commodities*

County	Number of families	Percentage of all families	Total number of persons	Percentage of county population
Blair.....	10,801	26.8	32,561	23.3
Centre.....	2,939	15.9	9,362	14.2
Clearfield.....	9,988	42.2	37,179	43.3
Total.....	23,728	28.8	79,402	27.1
Entire State of Pennsylvania.....			1,020,963	19.7

¹ Percentage of State population of 10,498,012.

Mr. VAN ZANDT. Mr. Chairman, you will notice 23,728 families in my congressional district are living on surplus commodities or 28.8 percent of all the families. Breaking down the figures for the families into individuals, 79,402 people, residents of my district, are living on surplus commodities. Thus, 27.1 percent of all the people in my district are dependent upon surplus commodities. If I may broaden this picture, let me call to your attention that in the great State of Pennsylvania, which is one of the industrial empires of this great Republic, 1,020,963 people are living on surplus commodities, or 9.7 percent of our population of 10,498,000. Mr. Chairman, there is the picture of the unemployment problem in my congressional district, as it is represented by those who are receiving surplus commodities.

(The following table was supplied:)

TABLE 2.—*Surplus commodities by carload lots to March 1, 1955*

County	Beans	Beef	Butter	Cheese	Dried milk	Rice	Shortening
Blair.....	2	16	21	19	18	1	16
Centre.....	½	4	3	5	5	½	4
Clearfield.....	4	5	16	14	16	1	13
Total number of carloads.....	6½	25	40	38	39	2½	33

Grand total, 184 carload lots.

This second chart shows the number of cars of surplus commodities that have been shipped into my Congressional District. Shipments received include 6½ carloads of beans, 25 carloads of beef, 40 carloads of butter, 38 carloads of cheese, 39 carloads of dried milk, 2½ carloads of rice, and 33 carloads of shortening or a total of 184 carload lots.

Mr. GRANT. Will the gentleman yield for just a minute?

Mr. VAN ZANDT. Surely.

Mr. GRANT. During what period of time was that?

Mr. VAN ZANDT. It is for the past year. As the present time you will notice we have received only 2½ carloads of rice because rice was made available only recently. The 2½ carloads of rice have just arrived, while the shipment of beef has stopped because the supply of surplus beef is exhausted.

Mr. Chairman, the residents of central Pennsylvania receiving surplus commodities are of the type that take them and process them so as to fit them into their daily diet. In my Congressional District many housewives still bake their own bread. Therefore we feel that if the surplus wheat, some of which is spoiling in storage, can be processed and the flour made available to the unemployed, that it will add greatly to their daily diet. If we can also make available corn processed into meal, it will add greatly to the diet of these unemployed and their families.

I hope that this committee will report out one of the bills that will make possible the Department of Agriculture and the Commodity Credit Corporation processing the wheat into flour and the corn into meal.

It is nothing new. This request is not a new precedent nor will it establish a new precedent because already our Government has bought up millions and millions of dollars worth of beef, and has processed it to the point where it was distributed as canned beef and gravy.

As to the cost, I think it will be unnecessary for the Government agencies concerned to come up here and ask for a new appropriation. I am told that the money is already available. As a matter of fact, in the drafting of H. R. 3144, and H. R. 3145, I was informed that the money is available to cover the cost of processing, and possibly the distribution of these surplus commodities.

These are good Americans unemployed in central Pennsylvania. Their ages spread from about 19 to 45 in the majority of cases. They are desperately trying to find work. But they should not be expected to pull up the roots that were established in central Pennsylvania by their fathers and mothers years ago, and travel over this country like a band of gypsies looking for work, nor should they be relocated as some have suggested, in other sections of the country. These people have helped build the communities in central Pennsylvania. They are part of the community. They certainly should be permitted to stay there. In my opinion this Government has a responsibility of helping us to solve the unemployment problem in central Pennsylvania, and throughout the entire Nation.

This committee, I realize, can do nothing to solve the unemployment problem, but they can help the unemployed if they will make available this processed wheat and corn.

That concludes my statement, Mr. Chairman, unless there are any questions.

Mr. GRANT. Thank you very much, Mr. Van Zandt.

Mr. VAN ZANDT. Thank you, Mr. Chairman.

Mr. GRANT. I believe our colleague, Mr. Saylor, is here and we are certainly glad to hear from him at this time.

STATEMENT OF HON. JOHN P. SAYLOR, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. SAYLOR. Mr. Chairman, I appreciate the opportunity to come here before your committee and to explain to members of this committee a problem which exists in my Congressional District. My district is just west of Mr. Van Zandt's, and the story he has told you is the same, except that it is worse, because Mr. Van Zandt has in his district 1 large coal-producing county, but I have 3 coal-producing counties. The story that he has told you for his area is the same in mine.

I looked over the list of the members of this committee, and I noticed that sections that you come from are agricultural sections. You come from areas which have diversified industry. This area of Pennsylvania has as its principal source of income, coal mining. I do not know how many of you folks have ever been to a coal-mining town—not a coal-mining town as you find it today—a coal-mining town as I knew it when I was a boy, a town that was started by a company, that moved into an area, cleared it off, built the houses, started the work. People that came into that community could not buy a house. The only place they could buy food was at the company store. Their entire lives were bound up with the company.

I am happy to say that that condition has ceased to exist in almost every community in Pennsylvania. The companies have gone out of the store business. The companies have decided that it is a very good thing for the people that work for them to own their own homes.

In the late thirties and in the forties, there was a movement throughout the entire coal area on the part of the coal companies to allow these people who had worked for them for many years to purchase these homes. They are not elaborate homes. Many of you folks from the communities that you come from would not consider them a real home, but after all, they are home to the people who have lived in them for many, many years. They have reared their families there. They created their churches. They are people who have been good citizens of this great country of ours.

When times were good and the coal industry was prospering, the miners, as a group, paid a large portion of their income, as all the rest of us did, in taxes. They did not complain about paying them because when you are employed and you have an income, you don't mind paying taxes. The situation has changed.

You have a situation today where the coal industry, because of a number of factors, is a sick industry. The men who have worked in some mines for 30 years, and some more, suddenly find themselves without a job. The company has gone out of business. You cannot expect people who have given their entire lives to an industry to be told by anyone to pick up and move, because after all, that is still home. They have bought those homes. Most of them are paid for. All these people are asking is that some of the money that was taken from their taxes and used to put into the Commodity Credit Corporation should now be given back to them in the form of food. I have not found anyone who believes that in this great country of ours anyone should be permitted to starve. Yet I have found not anyone in this country, no man or no woman, who merely wants to exist on dole.

That is not the American way. The men would love to have a job. But since they cannot have a job, and since they have had in the Commonwealth of Pennsylvania to give a lien on their homes, actually see what they have saved up be wiped out, and getting a mere pittance upon which to continue to live and rear their families, all they are asking now is that whatever the Commodity Credit Corporation has available be made available to the citizens of this country of ours.

This is not anything new. The Commodity Credit Corporation has turned over wheat to be sent to foreign countries, and they do not deliver to the people who live in foreign countries wheat. They deliver flour. They deliver cornmeal. True, as Mr. Van Zandt and others have pointed out, we have received a number of items, and for that the people are very grateful. They have used them. I wish the members of this committee could go with me, and I would like to take you, if you would go, up into my area and see these families when they come down to get their allotment of butter, their allotment of cheese, of milk, of rice. They take them home. There is none of it wasted. They have used it.

Back in that country when you had large families—and they have large families—one of them I think of at the present time, one of the grandest families I know, lives in a little town of Climer, Pa., father and mother and 17 children—they own that house. It is only a four-room house, but it is home to them. Some of those children have moved out. They are married. Some are in the service. But there are still some of those children at home.

I am asking in the name of American citizens who live in my area, who live in this country of ours, who have been ignored because certain people have said there is not an unemployment situation—but when you have 28 percent of the employable people in your area without work, it may not be unemployment to some people, but it is unemployment to me—and they are the people I am asking this committee to allow to be given back to them some of what their taxes went to help pay for. I feel certain that if you do, you will make this country a better place in which to live.

Thank you, Mr. Chairman.

MR. GRANT. Thank you, Mr. Saylor, for your excellent statement. Are there any questions? Mr. King.

MR. KING. Mr. Saylor, I think you have made an excellent presentation of the situation as it exists in your district. I am sure there is no one on this committee that wants to deny necessary relief. This is a question of whether or not that relief can be better taken care of by authorizing the Commodity Credit Corporation to do this processing, and set up the distribution of flour, than through other agencies that we already have in this country.

The situation with respect to foreign distribution is somewhat different from the situation existing in this country where we do have other agencies.

The question is do you believe it will cost the taxpayers less money to take care of the situation in your district by processing wheat into flour and setting up a special distribution of flour to your people, than it would if taken care of through the various other agencies that take care of our relief? Which is the cheapest way?

MR. SAYLOR. I am satisfied, after looking into the various agencies that would handle this, that in view of the fact that this is not an

isolated proposition as far as one State is concerned, that these islands of great unemployment exist not only in Pennsylvania, but in West Virginia, Kentucky, therefore to me the best solution is to have one Federal agency handle it, rather than an assortment of State agencies handling it. I believe that the Commodity Credit Corporation is better fitted to handle it than any other.

MR. KING. You missed the point of my question. Flour is available in all of these territories if the people had the money to buy it.

MR. SAYLOR. That is right, sir, if the people had money to buy it.

MR. KING. So distribution is taken care of. In other words, the flour is there. You would have the Government step in and process a lot of wheat into flour and handle it as a separate entity in flour commerce in this country and distribute right down to the individual receiver as a package of flour, which duplicates the distributing system that is already working in this country. Do you think that in the long run it is going to cost the Government less to do that than it is to put the money in their hands and let them buy the flour?

MR. SAYLOR. I am satisfied of this. I am satisfied that it will cost the Government less money to exchange wheat for flour or whatever method is used. I believe that is probably the way it should be handled. The Commodity Credit Corporation should be authorized to not set up a milling corporation, but probably exchange wheat for flour with some of the present mills.

MR. KING. When you put the Government into the processing business further than it is, I do not believe you are accomplishing anything in the net cost to the taxpayers of whatever the necessary relief measures are in this country. You are setting up a distributing agency which is a duplication of what already exists in this country, and it is going to cost the taxpayer more money in the long run than it will to take care of your relief situation with cash.

MR. SAYLOR. There is at the present time a distributing agency for every one of the commodities which is now being handled, and used as surplus. All this is doing then is handling one more item. This is not setting up any new business.

MR. KING. It is setting up a new distribution of flour.

MR. SAYLOR. No. It is adding 1 or 2 more items.

MR. KING. You do not think that is operating with economy, do you? It is costing a lot of money, is it not?

MR. SAYLOR. Mr. King, let me tell you this. As far as I am concerned, when people in this country and this great land of the United States are starving, and many of them are down to the stage that that is very close to what they are doing in these islands of unemployment, then to me it little behooves the Government to worry as to whether or not the method is going to be that which saves a few cents one way or the other. The important thing as far as I am concerned is to see to it that these American citizens get food that is now available.

MR. KING. I agree with you, but it is an important point we should consider, that is, the point of which is the best way to do it.

MR. SAYLOR. Mr. King, there are places that process butter now. There are places that process milk. There are places that process cheese. The Federal Government takes them over. In other words, the Government has not gone into the business of manufacturing butter. They have taken the butter from the manufacturer. They have taken the cheese from the processor. They have taken the

dried milk from the milk companies. They have not gone in and set up processing plants for those things. All this would do would be to say to one of these other companies that are making flour, here is so much wheat, here is so much corn, we will exchange it for a finished product that is usable.

Mr. KING. And instead of putting that into the distributing system as they are now doing, you are going to have them make up special flour to deliver to the Government and the Government is going to put it through its cumbersome system of distribution, and it will in my estimation cost more than attacking the problem as a direct relief problem. We do have agencies for doing that.

Mr. SAYLOR. We have State agencies for doing it, and in every one of the 48 States you have a different process. I am satisfied that all of these bills that are before you are to take care of not a general relief problem, but a distress-area problem. Therefore, I feel the agency that should handle it is the Commodity Credit Corporation.

Mr. GRANT. Mr. Hagen.

Mr. HAGEN. Mr. Saylor, is the language of these bills broad enough to legalize this exchange setup you mention?

Mr. SAYLOR. I don't know.

Mr. HAGEN. That is a crucial question.

Mr. SAYLOR. I certainly feel that if it is not, that the committee in its wisdom, certainly has a staff that are competent to make it legal. Nobody wants to put the Government in the flour business or the milling business any more than we wanted to put it in handling cheese, butter, and milk.

Mr. HAGEN. Do you know any other commodity where they handle it on an exchange basis with the processor?

Mr. SAYLOR. None that I know of.

Mr. KING. If it were possible to make an exchange, don't you see that it means that you deliver to a miller three times as much wheat as goes into the flour which the Government owns in the form of flour, and that exchange wheat which you give him to pay for all of his processing is put in regular commercial distribution in the country, and the scheme becomes directly contrary to the basic principles of price support, which are supposed to take the stuff off the domestic market.

Mr. SAYLOR. Mr. King, this is not taking anything off the domestic market. Here you are in a situation where the things that the Commodity Credit Corporation owns are off the market. These people have no purchasing power. It is gone. They are down now through their representatives asking you to give them what is necessary to continue a stable life.

Mr. KING. You miss the point. What is the miller going to do with the extra wheat that you give him for his processing costs? That was the question that was raised—do we have authority for this exchange of wheat? You have to deliver him at least twice as much wheat as it takes to make the flour that he is going to give you back. Therefore, at least half more of such wheat would go into the regular market to his other cash customers.

Mr. JENNINGS. I might say that this bill does not, H. R. 2851 does not say how it shall be done. It is merely giving the authority to the Commodity Credit Corporation to process—not reprocess—the wheat. The suggestion that is now being debated is one that one of the wit-

nesses brought up. I believe, Mr. King, that it would not necessitate one-third of the wheat. As a matter of fact, if the Commodity Credit Corporation decided to do it on an exchange basis, it could be done for the byproducts. However, that is an administrative matter. It is not covered in this bill.

I would like to ask the gentleman one question. It is not your desire and intent to determine where this shall come from or who it shall be charged to. It is your desire and intent that the people who need flour will get flour to make bread.

Mr. SAYLOR. That is the only purpose I am here for, to ask this committee to see to it that the people in this country who can use it and who do not have the purchasing power to go out and buy it in the public market are given flour and cornmeal. Let me say to the gentleman that I have seen during the days of the strikes in the coal fields many a family that lived on cornmeal and homemade bread and potatoes.

Mr. JENNINGS. Do you not agree then, that this perhaps is an administrative matter, and not a legislative matter, as to whether it shall be charged to the Health, Education and Welfare Department, the Commodity Credit, the Interior Department, or which Department it shall be charged to. It is an administrative matter and not a legislative matter, and it makes no difference to the gentleman.

Mr. SAYLOR. It makes no difference to me now it is done.

Mr. HAGEN. I have another question, Mr. Chairman. Do you have any idea how much of this flour would go into the school-lunch program, for example? I don't see any reason why wheat should not be a part of the school-lunch program also.

Mr. SAYLOR. As far as the school-lunch program is concerned, with what I know about it, and that is only from contacting schools in my area, there is very little bread used. But there could be some used, of course, in the cooking which is done in every one of these school cafeterias. They could use some flour there; yes.

Mr. HAGEN. That is all.

Mr. GRANT. Mr. Harvey.

Mr. HARVEY. Mr. Chairman, I appreciate very much the opportunity to sit in on this interesting hearing. Did I understand you, Mr. Saylor, to say that the Commodity Credit Corporation is at present distributing certain surplus products in this distressed area?

Mr. SAYLOR. They are.

Mr. HARVEY. Are they handling it directly?

Mr. SAYLOR. No; it is handled through the State of Pennsylvania.

Mr. HARVEY. What agency in your State handles that?

Mr. SAYLOR. I am sorry, Mr. Harvey, I cannot tell you. It is a representative of the Department of Agriculture with whom the county commissioners make their arrangements. I have been informed it is the bureau of purchasing of property and supplies in Pennsylvania handles it.

Mr. HARVEY. It is the designated agency to act as a distributing agency for Commodity Credit Corporation?

Mr. SAYLOR. No. It has been designated, as I understand it, by the Department of Agriculture as the agency in Pennsylvania with whom the local county officials shall deal. The local county officials then submit their forms to the Department of Property and Supplies of the Commonwealth of Pennsylvania, telling them the number of

people that are unemployed. The number of families and mouths that are to be fed, and on that basis the allocations are made to the respective distress areas.

Mr. HARVEY. Could you give me a little more explicit information as to the actual method of distribution within a given town, for example?

Mr. SAYLOR. In Cambria County, the county commissioners—and I think this is true for the three counties I represent—are charged with that responsibility. In each one of those counties they have set up an agency with a man in charge of it to clear the local communities who come in and give him and keep up to date the number of needy families. So if there should be a recall or a mine opening, so that those people would not need it, then they are taken off. If there should be another mine shutdown, or a number of people laid off in a mine, he is the one that tells the county commissioners and keeps up to date the figures.

Mr. HARVEY. The mechanics of it then is that the recipient goes to the county seat to get these supplies?

Mr. SAYLOR. No. Then there are set up distribution centers and those distribution centers receive food periodically, and they hand it out to the people who have registered, and have the cards to show that amount they should get.

Mr. HARVEY. It is not just put out promiscuously.

Mr. SAYLOR. No, sir. The ones who get it have gone down and registered, shown the number in their family, the total amount of income, so that it is only the people who are on relief in those areas that are getting this surplus food.

I might say this for the merchants. I have a great deal of respect and gratitude for many of the merchants in the area. The items of butter and cheese, being perishable, are handled through the local merchants. Not every merchant in the community, but certain ones which have refrigerating facilities which can keep it, are authorized to turn over upon receipt of the various little cards which show that they are entitled to it.

Mr. HARVEY. What commodities are presently being distributed in that way?

Mr. SAYLOR. Butter, cheese, milk, beans, rice and we have had canned beef. I think they are the ones that are being distributed. They are the ones that I know of that are being distributed now.

Mr. HARVEY. You are simply suggesting that wheat for flour and corn for meal be added to the list of items being distributed presently.

Mr. SAYLOR. That is right.

Mr. HARVEY. In your opinion is this distribution system working efficiently?

Mr. SAYLOR. I should say this to you, sir. With all of the people who are receiving it from my area, I have only had three complaints. Looking into it, I have found that they have come from people, who, according to the setup in the State of Pennsylvania, were not entitled to receive it, and therefore were complaining because they were not included.

Mr. HARVEY. Then you believe that even the merchants do not feel that they are having part of their business taken away from them in this instance.

Mr. SAYLOR. They are not. I have had merchants tell me that they appreciate the opportunity that they have had to distribute this because what little money that the people get from being on relief is spent in those stores.

Mr. HARVEY. For other items.

Mr. SAYLOR. Yes, sir.

Mr. HARVEY. That is all.

Mr. KING. Mr. Saylor, would you advocate this method of taking care of your relief situation if the Government did not have a terrific surplus of wheat?

Mr. SAYLOR. If there was no wheat to be handled, if there was no surplus, the answer is no.

Mr. KING. Then in a way you are really just trying to take advantage of the fact that the Government is loaded down with wheat, you want to help out the farm program?

Mr. SAYLOR. I don't want to take advantage of the farm program. I want to take advantage of the fact that there is wheat in this country that is not being used, and there are families in this country that can and would use it.

Mr. KING. I assume that you understand from what I have said previously that I am in favor of a solution of your relief problem?

Mr. SAYLOR. That is correct.

Mr. KING. I only question whether or not this is a proper method of handling that relief. I am not convinced that the taxpayers will pay less for your relief by this method than they would by handing them the cash and letting them buy the flour that is already in your stores.

Mr. SAYLOR. Mr. King, I might say to you that you have by none of your questions indicated to me that you are opposed to these people getting flour or cornmeal at all. The only question you are raising is the most efficient way to see that they get flour and cornmeal.

Mr. KING. That is right. I am very skeptical about authorizing the Commodity Credit Corporation to go into the general processing business in this country.

Mr. GRANT. Thank you, Mr. Saylor, for your statement.

Members of the committee, we have some representatives here from the Department, and I also see our colleague, Mr. Bray, from Indiana. Mr. Bray, would you like to make a statement?

STATEMENT OF HON. WILLIAM G. BRAY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. BRAY. I would. The statement will be rather brief. I want to thank you gentlemen for inviting me here.

The situation in Indiana is not as critical as it is in the two areas in Pennsylvania that the gentlemen have just testified about. It is rather spotty in Indiana. We were concerned with a coal mining town along the west border of the State of Indiana which has suffered greatly. We do have certain areas in there that are making use, and I would say effective use, of the surplus food program.

I have three counties in my district where the situation is very plainly bad. It is not as general as it is in Pennsylvania. For that reason in Indiana we have had a little more difficulty in working out

our plans of distribution, because it has not been as general a problem throughout the whole area of the State.

In the last week in December I had a conference with the State department of public welfare and certain groups that were very badly affected by the unemployment problem, and did try to iron out some of the bugs there in which I believe we were successful. I did talk with members of the Agriculture Department, and also with Mr. Harvey, our only member from Indiana on the Agriculture Committee.

I am very much in favor of adding flour and cornmeal to this program. In the first place, to me it is a terrible condition in a country whose problems are that of surpluses and of people that are hungry. I know all you gentlemen agree with that statement. These people cannot help the situation that they are in. Some people say they should move out of that area. We do not know how long, purely as a matter of national welfare, we will need to open up these mines. If something would happen that we could not get oil from South America or from the Near East, these coal mines would be vital, and the people who man them would be gone. So purely from a national situation, entirely laying aside the interest and welfare of those people, we should do something to try to keep them there. It is not their fault that they are out of work.

I have a great many statements I would like to make on the trade policy that I am not going to make at this time because this is not the appropriate committee. I have expressed myself very vigorously on that. At one time I was talking to a man on that policy and he said, "Why, let them get other jobs." I stated this had a very similar situation in history when Marie Antoinette, when told the people were crying for bread, said, "Let them eat cake." But this is not the problem for your committee.

I see no reason why that wheat could not be processed. Certainly it is going to cost some money. The processing you have already done for the cheese and butter has cost money. As for taking care of that in a regular relief manner, I know of no way in which to take care of that. They have already drawn their unemployment compensation to the limit. Some of them are getting miners' welfare, and others are not, because of certain regulations. They are not yet 65 years of age to come under social security. In Indiana we have the trustee relief where the trustee is dependent altogether on his funds for relief from that local township. That local township is already in a serious financial condition, or these people would not be on relief.

There again it seems to me more human and more practical and more the American way to have these surplus foods distributed there, rather than money. That may be a philosophical reason I am putting forth, but I would feel better about it. None of us wants to go hungry in a Nation whose whole problem is that of surpluses.

The same cars that take the butter and the cheese and the rice and the beans, and so forth, can also take the flour. I think that it is more the American way, frankly, than distributing the cash for relief. In other words, special legislation to send it down there. That is food coming from America. We know we have the food that will stop the pangs of hunger. I don't believe what I am advocating here

is socialistic in the least. I think it is the most fundamental American way we could have.

There is a lot of bitterness caused, and naturally so. People who need this food do not feel too kindly about the food we are sending abroad when they are hungry. That is understandable. Their children are being raised under a feeling that is not quite healthy that we want them to feel toward America.

Perhaps I am so interested in this food situation—I happen to be a Quaker by religion, and they have always been interested in seeing that people have shelter and food—that they can work out their culture and problems. I am deeply interested in this. I am not saying that the bill I introduced is the answer to all of this. I realize that this solution is not easy. I realize that there are a lot of technicalities and administrative matters to go into.

I discussed this with my State and have asked them to come to the Agriculture Department to make some suggestions to work this out. I have taken time to check on how this is being distributed, and I do not believe there ever has been relief, if you want to call it relief, that has ever been better handled. The people who are not deserving of it are not getting it.

We had some unfortunate incidents that have been quickly taken care of. The trustee is certifying that the people are eligible. He does not have the facilities quite to do that. We are trying to get the county welfare, which does have an organization in every county, to do this certifying. So far there has been practically no unfairness, that is, people getting relief they were not entitled to. Because of some redtape and difficulty in finding trustees, we had many cases where people were entitled to it that did not get it. We are trying to iron that out. I believe if we could add flour to that, it would help.

The point Mr. King brought up has worried me, but we can put that amount of money into that process of flour and send it out. The objection has been raised that after all, the people would in some way get the money to buy the flour. I don't think that is quite true. If the State properly works it out, the people that do not need it are not going to get it. There is a little more money involved processing flour from wheat than packaging the butter. But the same practical aspects and the same philosophy is there.

I have talked long enough. I realize you gentlemen have a problem and I hope you can work it out.

Mr. GRANT. Thank you so much. Are there any questions?

Mr. KING. Yes, I take it you are not sure that this method would be cheaper for the taxpayers?

Mr. BRAY. I think it would be cheaper in this way. We know that a lot of that wheat is being destroyed. It is getting bad. I have talked to people who are storing it. I do believe it will be cheaper because we are dealing in kind, and we are getting rid of the wheat that is going to in the very foreseeable future become worthless.

Mr. KING. In getting rid of this wheat—

Mr. BRAY. Perhaps that is not quite the right word to use.

Mr. KING. Would you be in favor of the Commodity Credit Corporation being reimbursed by some other agency for this expense of processing?

Mr. BRAY. I would not object to it. That might be the proper solution. That is something that you gentlemen understand far

better than I. But I would like for wheat to be processed into flour and sent to these people that need it. Maybe the welfare department should reimburse them. I don't know. It is not going to be an enormous expense. It is still the American way, because the American mills process the flour, the same as the flour that you and I would buy.

Mr. KING. The processing would be done in the same mills. From that point on you have a separate system of distribution that duplicates the present system of distributing flour.

Mr. BRAY. I see no reason why. You can use mills in different places of the country. You want to use the mills in the approximate location of the wheat and its distribution point. I realize that. In Indiana, the other commodities are shipped in to a central location, and the same ear that carries that from Fort Wayne, Ind., to the counties could carry the flour at the same time it carries the butter, cheese, and beans, and so on.

Mr. KING. If I understand the transportation in this country, and I believe I do a little, I think it would be very impractical to ship these commodities to a central loading place where you would reload into mixed cars. You will find out that this flour will go into the final community in straight carload lots.

Mr. BRAY. For instance, my suggestion is this: We have plenty of wheat stored there. Say a certain mill is going to process the wheat into the flour. Let us say that here is Terre Haute, Ind., a pretty badly hit area, which had a State warehouse. I don't think we had one. The flour would be shipped in carloads to Terre Haute, and then it would be distributed from there to the surrounding counties. I don't see it is any monumental problem. I realize that anything of this kind does raise certain problems and difficulties.

Mr. KING. But to get at the basic economy of this thing, let me ask you this question. If the Government did not own a lot of surplus, all of these commodities that are now being distributed, for example, would you advocate that this general relief problem be handled by Government purchase of these commodities and distributing the commodities, rather than handing out the money? Is not the whole proposition here, Mr. Bray, based on the fact that the Government has the surpluses, and that it is easy to get them from the Government in finished form?

Mr. BRAY. No, that is not the whole reason entirely. The fact that people are hungry, and we have surpluses has something to do with it. I would not say one is my compelling motive. But I do think it is unpardonable in America if we let people go hungry while we have that food there. I don't think that is socialistic. I think it is the American way.

Mr. KING. We are agreed on that. It is only a question of method of giving it to the people. Would you say that the Government should be involved in the distribution of food if it didn't have the surpluses on hand? Would you say that the Government as a matter of efficiency should handle its relief problem generally by the purchase of goods and the distribution of goods rather than the distribution of money with which to purchase those things, all of them being already in their local stores?

Mr. BRAY. I would frankly say that the fact that we have surpluses that are going to waste is a material factor in it. Anyone would say that.

Mr. GRANT. Mr. Hagen.

Mr. HAGEN. You indicated you had approached the administration on this problem, and the proposals contained on these bills. What kind of answer did you get?

Mr. BRAY. I talked with one of his assistant secretaries. We were together on a social matter. I discussed the matter. His theory, which he explained very fairly, was that after all, that fellow is going to buy flour anyway, because that is the staff of life. I said he is not going to buy it if he doesn't have money. We went and discussed it. Another Congressman was there. I didn't know he was specially interested in the problem, but he was. He seemed quite receptive to the idea that this matter should be pursued very fully.

I would also like to mention that it is very hard to explain to people if you have not been in areas where people needed that food, you cannot quite get the slant on the matter. If we all got down to talk to those people we would feel differently. The fact that the wheat is there and they are having trouble obtaining food, and the children being raised in that atmosphere, I don't believe is healthy. I see the Agriculture Department's idea on the matter. They are not adamant. But they are raising some questions; they are very important. Just like Mr. King, which I am not trying to belittle. But it is a real problem. I believe we can find a solution to it. I believe you gentlemen can although it is not easy.

Mr. HAGEN. You are to be commended for seeking a solution but I also think there is this problem of relief in this country, for which the administration should have some program to find some of the answers to the questions Mr. King raises. Apparently you have a large number of people who are on the verge of starvation and we certainly are obligated to help them out.

Mr. BRAY. As I say, the condition is not critical in our area today, but we do not know what will happen tomorrow. I believe we ought to have a setup worked out to take care of the need when it arises. When it arises at that time the thinking may not be as straight as it might be now. I trust it will never happen. I am frank to say that the condition in my area is not critical today. We do need it in several areas.

Mr. HAGEN. For example, the State of Indiana may be niggardly in their unemployment provisions. I don't know what the benefits are. I realize it varies from State to State.

Mr. BRAY. Indiana is more liberal than the average because I checked into that.

Mr. GRANT. Mr. Harvey.

Mr. HARVEY. I did want to compliment my colleague from Indiana for his interest in this problem, and I think he deserves a great deal of commendation. I know he has given a lot of time to analyzing the problem in Indiana, particularly in his district.

Do you have any estimate, Mr. Bray, as to how many unemployed miners in particular there are in Indiana today?

Mr. BRAY. Most of them are unemployed. They are getting other work to do. In some places they have been able to get business in there. They have been working very hard at it. Several things have contributed to helping our situation. In several areas it is still very bad. The two worst places happen to be not in my district, but to the north of my district. It is critical in two small areas and approaching critical in three areas in my district.

The food program is a great help. This expansion of it will be a great help.

Mr. HARVEY. You don't know exactly how many miners would be considered as unemployed?

Mr. BRAY. No, I don't today.

Mr. HARVEY. Thank you.

Mr. GRANT. Any further questions?

Mr. KING. One more brief question. In your district, has the distribution of this food in any way cut down their relief checks?

Mr. BRAY. This relief check is not quite as simple as it sounds. The relief is handled in this way. The miners after they work so many years in the mines get a certain relief, which has been a wonderful thing. It was criticized some at the start, but I don't believe anyone today would criticize it, because it has done a wonderful thing in the communities in which it has operated. Then there is the unemployment compensation, and Indiana is a little more liberal than other States, but that has run out, so those checks are not coming in.

The next place is where you are past 65 with the old-age pension or social security, although they are not considered relief.

Then in the great area in between there is nothing except the township trustee. He relies entirely on the taxes in that township. The township business is down and the taxes are very light, and they can give very, very little. There is a great area in respect to those men who are not 65 and cannot get work.

The miners pension comes at 60. There are two types of aid there without going into detail. There is a great area where there is nothing.

Mr. KING. This food distribution then would not cut down any other relief, unless it be the township relief.

Mr. BRAY. That is right. That is just simply to barely keep a person from starving. Today with the high prices of things, it is just an emergency matter, and there is just not money there to go very far.

Mr. WILLIAMS. Mr. Bray, do these people that are now in need of food ordinarily buy flour for their bread needs?

Mr. BRAY. Yes. Among the miners you find the fewest chiselers, because they are a pretty hardworking group of people. No people spend more money for groceries than miners when the mines are going. They eat good.

Mr. WILLIAMS. I take it for granted that every housewife knows how to make a loaf of bread.

Mr. BRAY. Yes. Down in the hills where we come from they know how to cook and they can bake. If they had plenty of money, they would buy the bread.

Mr. WILLIAMS. You must realize that it takes just more than flour and water to make a loaf of bread. It is quite an art and a skill to make a good loaf of bread, and it requires many other ingredients besides flour and water.

Mr. BRAY. I know it takes other ingredients.

Mr. WILLIAMS. It requires fuel to bake your bread after that. What I am thinking about is this. Would raw flour accomplish your purpose?

Mr. BRAY. It would in those areas of unemployment. If they had the money they would probably buy the loaves of bread, but if they don't have it, they will use the flour and they know how to use it.

Mr. WILLIAMS. There are very few families in American today that bake bread.

Mr. BRAY. If you go to the rural areas I am referring to, we still know how to bake bread.

Mr. GRANT. Thank you, Mr. Bray.

We have Mr. Walter and Mr. Berger from the Department. I believe one of you gentlemen has a prepared statement.

STATEMENT OF WALTER C. BERGER, ASSOCIATE ADMINISTRATOR, COMMODITY STABILIZATION SERVICE, ACCOMPANIED BY HOWARD P. DAVIS, ACTING DIRECTOR, FOOD DISTRIBUTION DIVISION, AMS; C. G. PULVERMACKER, ACTING DIRECTOR, COMMODITY DISPOSAL COORDINATION DIVISION, CSS, AND NATHAN KOENIG, SPECIAL ASSISTANT TO ADMINISTRATOR OF AMS

Mr. BERGER. My name is Walter C. Berger, Associate Administrator, Commodity Stabilization Service, and I have with me Mr. Davis, Deputy Director, Food Distribution Division, Agricultural Marketing Service, and I have Mr. Pulvermacker and Mr. Nathan Koenig, our special assistant to the Administrator of the Agricultural Marketing Service.

We do have a prepared statement which I will read through and then will be glad to discuss the particular problem with you folks as we go along.

Mr. GRANT. You may proceed.

Mr. BERGER. I very much appreciate the opportunity to appear before this subcommittee and to discuss the provisions of H. R. 2851 and similar bills relating to the payment of processing costs in connection with the donation of surplus commodities.

These bills would amend the surplus commodity donation authorities provided in sections 407 and 416 of the Agricultural Act of 1949, as amended. Specifically, they would provide the Commodity Credit Corporation with authority to pay the costs of processing commodities held by the CCC into a form suitable for home and institutional use.

Section 407 now authorizes the CCC to make available any farm commodity for use in relieving distress in areas declared by the President either to be in acute economic distress or areas of major disaster. This donation authority was provided by a provision of the Agricultural Trade Development and Assistance Act of 1954. However, no Presidential declaration authorizing such donations has yet been made under section 407.

In order to prevent the waste of commodities acquired under price-support operations, section 416 authorizes the donation of food commodities to agencies of the various States for use in nonprofit school-lunch programs, in charitable institutions and by needy persons in this country. Donations also may be made to United States private welfare agencies and intergovernmental organizations for the relief of needy persons overseas. In accomplishing such donations, the CCC is provided permissive authority to pay the costs of reprocessing, packaging, transporting, handling, and other charges incurred in delivering the commodities to central receiving points within the States or to points of export.

The authority for CCC to incur such costs under section 416 was requested by the Department last year and was authorized by another provision of the Agricultural Trade Development and Assistance Act of 1954. As a result of that liberalization of section 416, together with other factors, the distribution of surplus foods has increased sharply. Donations will total approximately a billion pounds of food products this fiscal year, an increase of over 70 percent compared to the preceding year. The value of the commodities donated is expected to exceed \$350 million.

A total of 13.7 million persons in this country are now benefiting from the donation of surplus commodities. In addition, through the efforts of 17 United States private welfare agencies and intergovernmental organizations such as the United Nations Children's Fund, our surpluses are being used to relieve hunger and want in 53 foreign countries.

We now estimate that this fiscal year nearly half a billion pounds of surplus foods, valued at about \$159 million will be made available to school-lunch programs, charitable institutions, needy Indians on reservations, and other needy persons and families in this country.

In addition, distribution under section 416 to needy persons overseas has been substantially increased. This year we anticipate such distribution will reach 550 million pounds, 3 times the volume so distributed last year.

Domestic recipients have been receiving a wide variety of surplus foods, including beef, butter, cheese, dry milk, shortening, cooking oils, dry beans, and rice. The canned beef distributed this year was that held over from the previous year's purchase and currently is being made available only to school-lunch programs.

Of the 13.7 million domestic recipients, approximately 10 million represent children in school-lunch programs and an additional 1 million persons in charitable institutions are being served. In February of this year surplus commodities were made available to 2.7 million needy persons and families in 36 States. On the basis of more recent certification reports received from State distributing agencies, the number of needy persons receiving commodities in March probably is in excess of the 2.7 million reached in February.

Thus, during the last year the Department has made very considerable progress in moving many surplus foods into consumption under its donation authorities. However, there has been no distribution of cereal products processed out of CCC stocks of wheat and corn.

Our general counsel has held that permissive authority to pay reprocessing costs under section 416 does not extend to the payment of original processing costs such as would be involved in the processing of wheat and corn into flour and meal, respectively. The purpose of H. R. 2851 and similar bills, therefore, is to authorize the CCC to pay processing costs and, thus, provide for the donation of wheat flour and cornmeal.

Although the Department has taken many steps during the past year to distribute greatly increased quantities of surplus foods, it does not favor the donation of processed cereal products. The distribution of wheat flour and cornmeal cannot be justified on the basis of the need for disposal operations to prevent the waste of CCC-held commodities. Such distribution would be more in the nature of a

welfare or relief program, which is not, of course, and should not be, a direct responsibility of the Department of Agriculture.

The surplus commodities that the Department has been making available under donation programs, for the most part, are perishable or not storable for any appreciable length of time. On the other hand, wheat and corn have a long storage life, and with stock rotation, there presently is not a danger of significant loss or waste of CCC-owned inventories. Therefore, from the standpoint of the Department's price support responsibilities, these stocks can be held for future sales, for barter, or for other important reserve purposes.

It should also be emphasized that the donation of wheat flour and cornmeal would have a very limited impact as a surplus disposal operation. The amounts of wheat and corn so moved would be very small in relation to the size of our present holdings. It is our opinion that the additional costs of a cereal donation program to CCC, including administrative costs, would far outweigh any possible increase in domestic consumption of wheat or corn or any possible net reduction in the level of Government stocks.

Another important consideration involved in our position with respect to H. R. 2851 and similar bills, is the belief that it would be impossible to accomplish such donations without significantly interfering with the normal marketing of processed cereal products. Obviously, there is little if anything to be gained in the way of reducing the size of Government inventories if the donations are accompanied by comparable, or nearly comparable, reductions in regular commercial purchases.

The groups eligible to receive surplus commodities are already heavy consumers of cereal products. As a man's wages go down, he increases his purchases of cereal products. In the case of schools and institutions it would be very difficult to avoid almost complete displacement of normal commercial purchases of wheat flour and cornmeal. Even among most needy persons and families, we believe that the donation of wheat flour and cornmeal would result in only a very small, if any, overall increase in the use of cereal products, even though it might benefit a small group in the population.

In the final analysis, the most satisfactory way to reduce CCC holdings is to obtain the market conditions that not only will reduce the need for price-support purchases but also will permit the resale into commercial channels of inventories previously acquired. This is our ultimate goal. In the meantime, however, we believe that full advantage should be taken of the opportunity to avoid waste, by making those foods that lend themselves to donation programs, available to groups who can use them and who otherwise would not get enough of them. As is indicated by the increased volume of surplus foods being distributed, the Department of Agriculture is following such a course.

In summary, therefore, in view of the objectives and purposes of the Department's surplus disposal operations, we do not favor the passage of H. R. 2851 or similar bills because:

1. Wheat and corn are storable commodities and, with stock rotation, there presently is no danger of substantial loss or waste of CCC-owned stocks.

2. The domestic donation of wheat flour and cornmeal cannot be justified on the basis of need for surplus removal operations.

3. It would be difficult to avoid substantial displacement of the regular commercial marketings of wheat flour and cornmeal.

4. The proposed distribution would be more in the nature of a welfare or relief program, which of course is not a direct responsibility of the Department of Agriculture.

Thank you, gentlemen.

Mr. GRANT. As I understand your testimony, items number 2 and 4 in your final summary pretty well cover the opinion of the Department in that you do not go into what might be called the nature of a relief program, but you necessarily under the law have to stand on the basis of surplus food operations?

Mr. BERGER. That is right.

Mr. GRANT. Is there anyone else that wishes to make a statement for the Department?

Mr. BERGER. This is the Department statement.

Mr. GRANT. If you want to yield to any other of your associates in answering questions it will be all right.

Mr. BERGER. I appreciate that very much because some of them are more familiar with the actual operations of the donation programs that we are running than I am.

Mr. GRANT. Mr. Hagen, have you any questions?

Mr. HAGEN. Yes. Have you discussed this matter with the various Congressmen who appeared here today?

Mr. BERGER. I will have to refer that to Mr. Davis. No; I have not. This has been discussed in the Agricultural Marketing Service, I understand.

Mr. DAVIS. I think as Mr. Bray mentioned it has been discussed by several Congressmen on various occasions with the Assistant Secretary, and in our Division we have had occasion to discuss it with quite a large number of Congressmen at one time or another.

Mr. HAGEN. Was it brought to the personal attention of the Secretary of Agriculture?

Mr. DAVIS. I am sure it has. It has been discussed in the Board of Directors meeting of the Commodity Credit Corporation, of which the Secretary is Chairman.

Mr. HAGEN. How about the President of the United States?

Mr. DAVIS. Yes, sir; I believe it has. I believe it has been discussed with the President.

Mr. HAGEN. And the Secretary of Health, Education, and Welfare, Mrs. Hobby, has she offered any suggestions for this problem?

Mr. DAVIS. Our distribution programs in the Department have been discussed with Mrs. Hobby's staff, and they are thoroughly familiar with what we are doing. The problems that we have faced which we have discussed with them they are aware of.

Mr. HAGEN. Has this idea been vetoed by every department of the executive branch of the Government, or just by the Agriculture Department?

Mr. DAVIS. I can't answer that, except for the Department. As Mr. Berger has read the statement, this represents pretty much the Department's views and not those of any other part of the Government.

Mr. HAGEN. Are you familiar with these bills?

Mr. DAVIS. Yes, sir.

Mr. HAGEN. Is the language in there broad enough to permit this exchange of wheat for flour with the flour mills, or would other language be required?

Mr. DAVIS. In all honesty, and this has been pointed out to the Congressmen as well as they pointing it out to us, under our present authority, we have sufficient authority to make wheat and corn available to the States if they care to shoulder the expense of processing them within the States.

Mr. HAGEN. What I am specifically interested in is this. Say if Mr. Jennings' bill was passed, would you then be legally authorized to go to the Pillsbury Co., we will say, and state that for a thousand pounds of flour you would exchange 3,000 pounds of wheat, or some similar ratio?

Mr. DAVIS. I don't believe I could answer that.

Mr. BERGER. That would come in my department, Mr. Congressman, and I think there is plenty of authority there that we could go ahead and make spaghetti and macaroni and cookies. I am not an attorney.

Mr. HAGEN. You mean presently or under the bill?

Mr. BERGER. Under the bill. It seems to be quite broad and quite general. I am talking about House bill 2851.

Mr. HAGEN. Yes. That is the one I refer to. On page 4 of your statement you have this assertion:

The distribution of wheat flour and cornmeal cannot be justified on the basis of need for disposal operations to prevent the waste of CCC held commodities—and below that you say the surplus commodities that the Department has been making available under donation programs for the most part are perishable and not storable for any appreciable length of time.

That is quite a significant statement. As I understand, you have been passing out canned beef.

Mr. BERGER. The canned-beef program, of course, was in reality a procurement program not for the purpose of buying it for relief, but for strengthening the price of cattle. It is a canned perishable commodity that we had on hand, and that was one way of disposing of it. It was not bought for relief purposes.

Mr. HAGEN. Was that program initiated by the Secretary of Agriculture, or by direction of some statute? That was a discretionary act with him?

Mr. BERGER. It was the section 32 program.

Mr. HAGEN. In other words, it was a discretionary act on his part?

Mr. BERGER. That is right, I think.

Mr. HAGEN. In other words, he was willing to engaged in that for the purpose of relieving the cattlemen, but you say he is not willing to do it for the purpose of relieving starvation. To put it bluntly, that is about it. He was willing to acquire beef and can it and distribute it for the relief of the cattle industry, but now we have a relief program involving people, although you made an exception in one case, he was not willing to make an exception in this case.

Mr. BERGER. We have used it in two ways. Section 32 money was set up by this committee or the Appropriations Committee to use for that very purpose. We do that with a lot of agricultural commodities.

Mr. HAGEN. They could say in this bill that section 32 funds shall be used to process this wheat into flour or the corn into cornmeal. Could that not be done?

Mr. BERGER. I think our attorneys are telling us that it cannot. They don't feel it is covered for that purpose. The distinction, Congressman, that I see, if I understand it correctly, and I am not an attorney, is the fact that you bought the beef for an entirely other purpose. You had it on your hands, and it was there for disposal in some relief agency one way or another. That is the way we used it. The buying of beef had nothing to do with trying to handle a relief problem. The Department of Agriculture job was trying to help out the situation in which the cattlemen were at that time. So we merely disposed of it at that time.

Mr. HAGEN. It was a support program for cattlemen.

Mr. BERGER. If you want to call it that way. I would call it a price-support program authorized by the law, and we merely carried out the law.

Mr. HAGEN. And it was accomplished at the discretion of the Secretary.

Mr. BERGER. Yes.

Mr. HAGEN. I do not want to argue the point with you, but I think this bill could probably be put under the section 32 program, with provision made that funds to accomplish the cost of this processing shall come out of section 32 funds.

Mr. DAVIS. That is correct. However, it would take legislation, because we do not have the authority at the present time to use section 32 money for this particular processing. The language of section 32 legislation limits it to nonprice support, and all the rest of that, and the wheat and corn, of course, are basic commodities. So we are not able to use section 32 funds as it is presently written.

Mr. HAGEN. I see. On page 5 you state that it would be impossible to accomplish donation without significantly interfering with the normal marketing of processed cereal products.

As I understand the testimony the people here to be benefited are living off what foods are donated to them. They buy very substantially little other food because they don't have the money. If that is true—and I am not saying that it is—there would not seem to be any substantial interference with normal marketing because these people are not buying. They are living off a dole. Have you attempted to verify some of the statements that were made here?

Mr. BERGER. As I understand it, when it comes to our distributing of any of these surplus commodities of which we have classified primarily our perishable commodities—and those are the ones we have been using in the program—we cannot make any distinction between one person or the other that happens to be on relief as to whether he can buy his basic needs, such as corn and wheat and flour, which are the last two things he would quit buying, because they are the cheapest source of livelihood he has, so you would be replacing those people who are buying their wheat and corn through normal channels.

Mr. HAGEN. That would be an assumption, but the Congressmen testified that some of these people were living exclusively off the foods donated by some local relief agency, and they did not have money to buy other things. For example, they were not buying flour.

That is all I have, Mr. Chairman.

Mr. GRANT. Mr. Williams, do you have any questions?

Mr. WILLIAMS. No.

Mr. GRANT. Mr. Jennings.

Mr. JENNINGS. As I understand this, your four sections in the summary pretty well sum up your opposition to the bill.

Mr. BERGER. That is right.

Mr. JENNINGS. In the first place, it is something that you can keep.

Mr. BERGER. Yes, that is right.

Mr. JENNINGS. So you would rather keep it than distribute it?

Mr. BERGER. No.

Mr. JENNINGS. How would you recommend that it be distributed?

Mr. BERGER. We think it is being distributed now. We don't think you ought to go in and take it out of normal channels to which it is now going.

Mr. JENNINGS. The wheat now in storage, is that normal channels?

Mr. BERGER. The only reason it is in storage is because the normal channels are already filled up.

Mr. JENNINGS. In effect you would rather keep it in storage than see it distributed through this program?

Mr. BERGER. I wouldn't mind seeing it distributed through this program if I thought it was going to be extra wheat and corn.

Mr. JENNINGS. But it is not extra.

Mr. BERGER. But I don't think it is.

Mr. JENNINGS. But it is not extra because you have it in storage?

Mr. BERGER. No, sir. The pipelines are full with normal channels. Nobody is having trouble buying corn meal or wheat any place.

Mr. JENNINGS. Then you are saying in effect that these unemployed people are absorbing all the wheat flour and corn meal they can absorb because they are now purchasing it and would not use additional flour if they would receive flour under this program?

Mr. BERGER. I would say it would be a very, very small increase in the total per capita consumption by putting it on the relief roll. The last few things people will quit buying would be cornmeal and flour.

Mr. JENNINGS. Sure, the last thing a man will do before he dies is stop breathing.

Mr. BERGER. That is correct.

Mr. JENNINGS. So by the same token the last thing a man will buy is wheat and flour and the last thing he does before he dies is stop breathing. That, in fact, is what you are saying.

You say this would not immeasurably affect the surplus because there would be very little going into the normal channels.

Mr. BERGER. That is right.

Mr. JENNINGS. Yet you would rather keep that in storage than to distribute it through the channels which have already been set up for other foodstuffs.

Mr. BERGER. I don't quite follow your question.

Mr. JENNINGS. If my bill, 2851, were put into effect, very little of the surplus would be consumed?

Mr. BERGER. Extra surplus, that is right.

Mr. JENNINGS. So you are saying in effect that it would be better to keep it than it would to take this small amount and put it into the market. On the one hand you are saying this is going in competition

with the natural trade, and on the other hand you are saying that it would be so small that it would be negligible.

Mr. BERGER. That is true.

Mr. JENNINGS. Thank you, sir.

Mr. BERGER. It would still be small.

Mr. JENNINGS. Have you discussed this program with the Secretary?

Mr. BERGER. This program that is the proposal of the Commodity Credit paying for the processing of corn into cornmeal and flour from wheat has been discussed in the Board of Directors of the Commodity Credit Corporation several times since I have been back in the Government service.

Mr. JENNINGS. And they have agreed that it should not be done?

Mr. BERGER. In the first place, we state in our testimony that our legal counsel tells us we don't have the authority to do it.

Mr. JENNINGS. That is the reason for the bill. Would they agree that 2851 should not be put into law? Do they oppose it?

Mr. BERGER. We recommend that we don't see any reason for it. We think it is a shame to charge up to the price-support program of the agricultural program this extra processing charge, when it is not going to get rid of but very little extra, if any, corn or wheat. We are charging to the price-support program an extra cost that should be not charged to it.

Mr. JENNINGS. Have you made any effort to work out a method to see if this cost could be charged to any other agency?

Mr. BERGER. That is not our problem.

Mr. JENNINGS. Whose problem would you say it is?

Mr. BERGER. We are here to maintain the price supports that we have within our laws on agricultural commodities and not run the relief agencies.

Mr. JENNINGS. Your statement is that you see no need for this bill?

Mr. BERGER. As far as disposing of the job we have in the Department of Agriculture of disposing of surplus commodities, we don't think it will take but very little extra wheat or corn out of our stockpile.

Mr. JENNINGS. But you object to taking that very little?

Mr. BERGER. We don't think it will amount to anything. We don't think it will be worth while charging up the extra cost for the replacement we would make to the agricultural price-support program of the American farmers.

Mr. JENNINGS. That is the objection you have to the whole thing.

Mr. BERGER. That is right.

Mr. JENNINGS. Then you would not object to seeing it come out of storage and go to these needy people as long as it does not come out of your program.

Mr. BERGER. I think that is right. I would think that it would be the interest of the committee here, who are the Agriculture Committee, and are interested in the price support program, within agriculture.

Mr. JENNINGS. Under the present law you would make it available to the States?

Mr. BERGER. I think we can; can we not?

Mr. DAVIS. That question was brought up, and I think the Department followed pretty much the same policy rule in regard to making wheat available as well as processing.

Mr. BERGER. I think we can do that. We have the authority to do it right now, but we have not done it for the same reasons I have just outlined. It is not getting rid of extra surplus agricultural products.

Mr. JENNINGS. It would not get rid of them.

Mr. BERGER. No; you are merely replacing.

Mr. JENNINGS. Your contention is that these people now who are unemployed are buying all the wheat and flour they can absorb?

Mr. BERGER. They may use what little money they have available to buy something else.

Mr. JENNINGS. Yes; but they do not have any money available.

Mr. BERGER. We should not charge that up to the agricultural program.

Mr. JENNINGS. That is the reason I asked you the question had you worked with the Health, Education, and Welfare Department. We don't care where we get it; what they want is flour.

Before you went into the beef program, did you contact the Health, Education, and Welfare Department or just say the welfare department, to see if they would absorb this cost?

Mr. BERGER. We already had our money invested in it. It was our cost. It was a perishable commodity. It was our way of getting rid of it.

Mr. JENNINGS. Don't you have your money invested in wheat?

Mr. BERGER. We certainly do. But it is a commodity that we can hold, and we know from experience that people will let up on buying of expensive meat a whole lot quicker than letting up on the buying of flour or cornmeal. That is one commodity that is definitely flexible in demand, and that is meat.

Mr. JENNINGS. Are you not going to invest more money if you keep this in storage, even if it is very small, as you admit?

Mr. BERGER. It would be so small that it would not be worth it to charge the extra cost to the farmers' agricultural program of price supports in the United States.

Mr. JENNINGS. It is so small on the one hand, and yet it is so large on the other hand.

Mr. BERGER. The increase is small, but the cost of what you would be replacing and charging to Commodity Credit would be so much larger. You would be charging to Commodity Credit and agricultural price support programs of the United States a bill that is now not there. You will only increase the total consumption of corn and wheat a very small amount.

Mr. HAGEN. Mr. Berger, I could be misinformed, but I understand that for every consumer dollar spent on flour only about 5 cents of it represents the cost of processing.

Mr. BERGER. I would think that would be wrong.

Mr. HAGEN. What would be your figure on that?

Mr. BERGER. I have not seen figures on cost of milling. In other words, 100 pounds of wheat going into flour would only cost 5 cents?

Mr. HAGEN. I said of every consumer dollar, 95 cents represented the cost of the wheat itself and only 5 cents processing cost.

Mr. BERGER. I think then you get into the loaf of bread, too, and the increased cost of going through a bakery and distributing channels. I am pretty sure that is what you have in mind.

Mr. HAGEN. You have no figures of your own on that?

Mr. BERGER. No; not right off hand. We could certainly dig into that for you if you want that on the record.

Mr. HAGEN. Let us assume that at the end of storage of 1 year, this wheat went into making flour. What percentage of the cost of that wheat in the form of flour would reflect storage costs? It might be that you might save money by spending 5 or 10 cents for processing.

Mr. BERGER. I still come back, Mr. Congressman, to the point that you are merely charging up to the agricultural price support program an extra cost which you are only replacing and not adding the distribution of surplus commodities.

Mr. HAGEN. I have heard Mr. Cooley, and others, bear down on that. Mr. King here on the other hand would say that the support advocates are trying to conceal costs. It is very easy for a statistician to tell what costs are a normal part of the support program and what costs can be considered as a part of a relief aspect of the program, so that the public can understand what the cost of an unrefined program would be. I don't think that is any particular problem.

I yield back.

Mr. JENNINGS. In carrying that on further, would you agree to this program if we put it up there and call it welfare and advertise it thoroughly so that the support program of the Agriculture Department would not be charged against it? Would you agree to it as a welfare program?

Mr. BERGER. Then Congress would be taking the responsibility of making the decision.

Mr. JENNINGS. Would you agree?

Mr. BERGER. We carry out whatever laws you gentlemen tell us to carry out.

Mr. JENNINGS. Do you carry out the law or the spirit?

Mr. BERGER. We try to carry out both.

Mr. JENNINGS. How does wheat differ from rice on this program?

Mr. BERGER. Very definitely; because in rice you have a semi-perishable commodity. Whenever rice is turned over to us, it is a very, very, very serious problem for us to get the rice processed immediately. You cannot store it very long because you have an infestation problem that is much more severe than it is on whole wheat carried in our grain mills.

Mr. JENNINGS. The same is true of corn.

Mr. BERGER. Corn and wheat would be in the same classification. But when I get it in the form of cornmeal or flour, you have the same problem. But you have to mill the rice right away and you have to get it into a milled form within a year, and then you are in trouble because it is perishable to the extent of serious chances of infestation.

Mr. JENNINGS. Does Commodity Credit grind any wheat into flour at all for any purpose?

Mr. BERGER. No, we do not; not as Commodity Credit.

Mr. JENNINGS. Does the Department of Agriculture grind any wheat into flour or corn into meal for any purposes?

Mr. BERGER. No, we do not.

Mr. JENNINGS. For no overseas shipments or anything?

Mr. BERGER. No, we do not. Under the foreign aid program which is a separate program, and they pay the bill. Private industry does it.

Mr. JENNINGS. How does this differ in the case of dried beans?

Mr. BERGER. I think I can explain it in this way. In the first place you give them the beans as they are. You do not have to further process them.

Mr. JENNINGS. I am talking about the storage, not the distribution.

Mr. BERGER. The beans are a little more perishable because certain types of beans lose market value by such a thing as fading in some of the colored beans. You do have more of a deterioration. It is the difference of being able to distribute beans as such. We do not cook the beans and put them in cans and distribute them. We give them beans as such. Here it is a matter of processing wheat and corn instead of putting out that as wheat or corn.

Mr. JENNINGS. Yes, I understand that. How does this program that we are asking you as to the distribution differ from the other commodities which are being distributed?

Mr. BERGER. There would not be much difference from that standpoint except that we feel that in the case of our perishable commodities those are something we need to get rid of. Most of them are commodities in which the people who are short of funds to buy food would not be buying, such as cheese and dried skim milk or butter or even rice, because it is a perishable commodity, and the beef, and so forth.

Mr. JENNINGS. Then you agree that there would be no problem in distribution as it would differ from the other commodities which you have.

Mr. BERGER. You would have the common problem, yes.

Mr. JENNINGS. Would you be against the whole food distribution program on the same basis that you are against wheat?

Mr. BERGER. I would if it was on the same grounds. But in case of wheat and corn, I don't feel that we are going to be replacing. All we will do is replace wheat and corn that is already there, and we are charging that up to the American farmers' price-support program.

Mr. JENNINGS. Would you be against this program if we were putting wheat into 25-pound bags and distributing it to the people? Would you be against it then?

Mr. BERGER. From that standpoint I would say that you would then be putting out a product that would be different than what you are going through the normal channels for the simple reason that people are not using wheat as such.

Mr. JENNINGS. You would not be against it, then?

Mr. BERGER. No, we have not been distributing that way.

Mr. JENNINGS. If the wheat went into flour at the present time, would you be against the distribution of it under the program?

Mr. BERGER. I don't know how to answer that question, Mr. Congressman.

Mr. JENNINGS. I don't know how for you to answer either. Answer it honestly.

Mr. BERGER. We don't have flour. We have wheat. It would be replacing the same flour that we are talking about that we would be replacing if we put wheat on the program.

Mr. JENNINGS. Well, has this been brought to the attention of the President?

Mr. BERGER. I understand it has. I have not done it personally.

Mr. JENNINGS. Do you know his reaction to it? Is he against the program?

Mr. BERGER. I could not speak for the President.

Mr. JENNINGS. What is your understanding?

Mr. BERGER. I would understand that we have not had any instructions to go ahead with it from the White House.

Mr. GRANT. Mr. King.

Mr. KING. I think we all have many difficulties in solving our relief problem. I think we should all realize at the same time that it is not the proper function of this committee to try to solve the relief problem. I do believe that the position of the Department on this matter is justified by the facts that exist in wheat, particularly, because I think it is true that any distribution of wheat as flour under this program would come right back to the Commodity Credit Corporation in the form of additional wheat that they have to purchase under the program. We as a committee should be concerned with making the price-support program work reasonably. I think this bill would contribute nothing to the workings of the price-support program or the farm program as a whole.

If the relief agencies want to give flour as flour, let them buy direct from the Commodity Credit Corporation and process it themselves. I doubt if you would ever get them to listen to any such proposal.

Mr. GRANT. The committee counsel wishes to ask a question.

Mr. HEIMBURGER. Mr. Berger, just to clear up a couple of things in my own mind, wheat has been made available in processed form for foreign distributions; has it not?

Mr. BERGER. That is correct.

Mr. HEIMBURGER. However, you have not done the processing. You made the wheat available to FOA.

Mr. BERGER. And we have done it under another authority and we have been reimbursed for it. We have merely acted as an agency for another fund that was set up by the Congress to be used for that purpose.

Mr. HEIMBURGER. Section 1 of this bill applies to section 407 of the Agricultural Act of 1949, and I noticed in your statement that there has as yet been no certification by the President under section 407.

Mr. BERGER. That is right, I believe, to my knowledge that is true.

Mr. HEIMBURGER. So to that extent the amendment of section 407 would not have any effect on the situation we have been discussing here unless and until such an area was designated as a disaster area, under Public Law 475, of the 81st Congress, or as an economic disaster area, is that correct?

Mr. BERGER. As far as section 407 is concerned, I think that is true. I am not an attorney, but I would guess that is right. It sounds reasonable.

Mr. HEIMBURGER. If you have not had the authority which the law says you must have to go ahead under section 407, then merely giving you some additional authority on processing would be futile. It would make no difference.

Turning to the second section of the bill which amends section 416, my understanding there is that you have not made wheat and corn eligible for domestic distribution for the reasons you set out in your statement.

Mr. BERGER. That is correct.

Mr. HEIMBURGER. Therefore, the additional authority which is conferred by section 2 of this bill would not achieve the result that the proponents of the bill are aiming for, is that correct?

Mr. DAVIS. As we understand it, the bill in question would amend section 416, but the provision that is now in section 416, leaving it to the discretion of the Secretary, would remain. Under the present policies, as Mr. Berger has outlined them, it would not be done at this time.

Mr. HEIMBURGER. Or to state it another way, the authority as contained in section 2 for you to process agricultural commodities, specifically wheat and corn, although they are not mentioned, would not result in any flour or cornmeal getting into the areas that have been discussed today unless and until the Department, under other authority, determined that wheat and corn were going to be released for domestic distribution.

Mr. BERGER. It would certainly open up the Department to a lot of pressures.

Mr. HEIMBURGER. Let me ask one question further. In determining that wheat and corn are not to be distributed domestically for donation, do you consider those commodities entirely as a whole, and the United States as a whole, or does the Commodity Credit Corporation Board every consider specific instances. What I am asking is this: If it were demonstrated to the satisfaction of the Board that a certain quantity of wheat could be used in a place where it would not displace the local market and meet the other qualification you have, would you consider such a specific case?

Mr. DAVIS. I think in answer to that from the administrative standpoint and the way in which we are now handling the distribution of other commodities, the Secretary might very well find it almost impossible to limit the distribution of any one commodity to any one locality on the sound theory that a person is just as hungry in one place as in another. So any decision to make these commodities available would very probably involve making them available nationwide, wherever they were set up to receive them, and wherever they were willing to certify certain families as being in need.

Mr. BERGER. Furthermore, it would put the Secretary in the position of being forced to determine who is needy and who is not, and we don't feel that is his responsibility as Secretary of Agriculture.

Mr. HEIMBURGER. No, he doesn't have to make that determination, Mr. Berger. We assume that there are needy people in every place. That is the assumption for making these commodities available to institutions. It would put him in the position of making him determine in specific cases that it would not displace normal marketing. You think it would be impossible to handle the thing on any specific problem area basis in that manner.

Mr. BERGER. I think it would be, yes.

Mr. HAGEN. I have a couple of more questions, Mr. Chairman.

Mr. GRANT. Mr. Hagen.

Mr. HAGEN. As I understand it, Mr. Berger, in carrying out the section 417 program, you sit down and decide first that you have these commodities in storage, they are surplus, and secondly, that they are wasting commodities. In other words, you have a practical necessity for getting rid of them, is that right?

Mr. BERGER. They are perishable commodities. Perishable or semiperishable.

Mr. HAGEN. So then you get rid of them under this giveaway program for the purposes discussed in the law?

Mr. BERGER. That is right.

Mr. HAGEN. To the agencies.

Mr. BERGER. That is right.

Mr. HAGEN. In that connection in your statement on page 2, you refer to some of the history of this and you state, "As a result of that liberalization of section 416"—how can you liberalize a statute which still has the same criteria of surplus and waste? What was the liberalization you referred to there?

Mr. DAVIS. The amendments contained in Public Law 480 of the last Congress to this section 416 provided authority for the Commodity Credit Corporation to pay costs of reprocessing and transporting which in effect was the difference between any recipient having to pay all of the transportation from wherever we had it stored, and take the commodities in their raw form, or the form in which we had them in inventory.

Mr. BERGER. In other words, butter was in 50-pound tubs, and cheese is in certain sizes. When the agency got it, they had the problem of trying to get it in the form in which they could distribute it. Those costs we have been allowed to pay.

Mr. HAGEN. Those are the limits of reprocessing?

Mr. BERGER. That is right.

Mr. HAGEN. But not changing the character of the product?

Mr. BERGER. That is right. It was a question of repackaging.

Mr. HAGEN. On page 4 of your statement, there in the second paragraph, you state, "Although the Department has taken many steps during the past year to distribute greatly increased quantities of surplus foods"—the emphasis there is on the surplus character of these foods rather than any consideration of waste. Actually isn't it a fact that this element of waste which you have emphasized is not so important as the surplus character of the food which you consider to be the interference with the normal trade?

Mr. BERGER. No, I come back to the fact that these are perishable quantities against those which we don't have to worry about being in storage. They are commodities also of which the people who have very little money to buy food with do not buy that type of food very often, such as butter or cheese or milk and things of that kind that they need in their diet of which we have. So there is really more than one factor involved in that case.

Mr. HAGEN. I don't know anything about the milling industry, but if this legislation became law, how would you conceive that this program would operate, assuming that the Secretary instituted it?

Mr. BERGER. The only way the Commodity Credit could possibly do that would be to offer it on an open and competitive bid basis for them to mill up a certain amount of wheat into flour to be distributed or shipped to a certain point. The man that had the mill and the location that was willing to do the job the cheapest would get the contract.

Mr. HAGEN. You would have to lay down standards, because flours are blended from different grades?

Mr. BERGER. We do that on a lot of things. We are used to the specifications.

Mr. HAGEN. Actually you don't see any particular difficulty in carrying out this program.

Mr. BERGER. No, from the mechanics standpoint, we can make it work. That is no problem.

Mr. HAGEN. How about this exchange proposal? Do you think that would be more workable or less workable?

Mr. BERGER. I do not think that we could arbitrate an agreement with a flour mill on an exchange basis very well. The General Accounting Office is on us all the time that we do these things the way we are supposed to do them. I think we would have to go out on an open competitive basis for doing the job.

Mr. PULVERMACKER. In the case Mr. Berger has referred to that goes under title 2 of Public Law 480, the foreign distribution program, in a case like that where Foreign Operations requests us to buy flour, we go out on an open competitive bid basis to the various mills and state that we want a given amount of flour and how much wheat, they keeping the byproducts, will they require to produce that given amount of flour? It is that type of processing exchange.

Mr. HAGEN. In that program do you furnish the raw material?

Mr. PULVERMACKER. That comes as the law provides out of CCC stocks.

Mr. BERGER. But it may be exchanged. We may exchange with the miller. The miller may use his wheat and we ship our wheat in later.

Mr. HAGEN. That is all.

Mr. BERGER. On wheat that is very easy to do.

Mr. GRANT. Thank you, gentlemen, very much.

Mr. BERGER. Thank you. We appreciate discussing the problem with you.

Mr. GRANT. We have two other witnesses here, Congressman Jennings and Congressman Byrd.

Mr. JENNINGS. Mr. Chairman, due to the lateness, I would like to file my statement together with a paper which is from my district, and ask permission at a later hearing to go over the statement and answer any questions that pertain to it.

Mr. GRANT. Without objection, it is so ordered.

(The statement referred to follows:)

[From the Lebanon (Va.) News, August 5, 1954]

RUSSELL COUNTY MINER'S BREADLINE—WITHOUT BREAD

If you had a good breakfast this morning of the usual eggs, bacon, toast and coffee you won't believe the pictures above or this story.

1,001 breadwinners of large families, most of whom live in Russell County, will tell you that their plight does "border on disaster." This exact number of miners gathered last Saturday to receive their portion of surplus foods being made available to them at the distribution center near the once thriving coal metropolis of Dante, Va.

The pictures above were taken about 10 o'clock last Saturday morning. At that time more than half of the 1,000 eligible recipients had been processed through the food depot and others were arriving each minute.

Three foods—beans, shortening and canned beef—were on the menu Saturday morning. Each family head was given these commodities in proportion to the number in his family. A miner with a large family, and these were in greater ratio than smaller families, received more food, of course, than did the smaller family units.

At the next distribution in about 2 weeks the miners will be given cheese, butter and dried powdered milk. Six foods—that's the complete menu. Bread, the biblical "staff of life" is not available in surplus foods, and many homes in the coal-mining areas have been without bread for weeks.

The miners are not a bitter lot because of their plight. They hope for better things in the future. They are a proud people and they are most grateful for the aid they are receiving but none like this dole. Without exception all would rather have work to earn that which their families need.

Another sad condition exists that even a full belly can't hide--inadequate clothing. This is especially true among the children who in another month will begin another school year. A spokesman said that the State welfare department was making efforts to secure clothing and blankets before cold weather arrived.

Everett Dishman, local UMW president, said Saturday that he could see no immediate end to the miner's plight. The usual summer stockpiling of coal did not alleviate the situation by providing increased work, Dishman said. The local union has practically expended its entire treasury of \$20,000 in providing aid to the miners and transportation for the surplus foods. Other small grants have been made to help with transportation by the county board of supervisors which helped immensely, he said.

The food is shipped to St. Paul, Va., and then trucked to the distribution center. Volunteer workers help with the distribution in the lower floor of the almost completed Moose Lodge building.

Miners interviewed in the long lines formed outside the building gave praise to their union president, Everett Dishman, for his untiring efforts to secure food for their families. Dishman, a modest sort of man, would claim none of the credit but chose to commend State Senator Harry C. Stuart of Russell County, Delegate Glenn Phillips of Dickenson, and Delegate Vernon C. Smith of Buchanan County for their efforts in securing this surplus food.

Contrary to belief in some quarters, a miner need not be affiliated with the union to receive these foods. A nonunion miner with certification from his employer that he is out of work receives just as much food as the union miner, Dishman pointed out.

Two of these distribution centers are in operation in Russell County. One at Dante and one at Swords Creek. Buchanan County has seven centers. Dickenson county has 1,500 families affected and the situation in Wise County is said to be worse than that in Russell.

Comments from the miners receiving food varied very little when questioned by this writer:

Benton Kiser, a resident of Carrie, Va., and a former miner at No. 2 in Dante, with 8 in his family including a 2-year-old child, said, "We were hardly living. It would have been almost impossible to feed my family without this food."

Mrs. Ruby Massey, Coeburn resident but formerly of Dante, who was receiving food in place of her husband who was too ill to be there in person, had this to say about her family of six: "We could not feed our family at all. Many times my children did not have enough to eat and even now they do not have the proper things."

L. C. Sproles, a former Dante miner who lost both legs in a mine accident in 1950 when he came in contact with a 33,000-volt line and has been totally disabled since, said, "I am lucky to be alive. I draw a small disability pension which is not enough to feed my wife and child. The surplus foods are helping to keep us fed."

E. M. Mabry, a colored miner at Dante's No. 53, said, "I have worked here for almost 30 years. We have no other income and we would have starved without this surplus food."

Ike Wade, colored, of Gravel Lick, who has a small acreage to farm, said "I have worked at Dante 30 years and this is the longest I have ever been without work. This food helps us greatly."

Homer Carter, a miner for Wood Coal Co. on Chaney Creek, 57 years old, said, "I have been mining coal for 35 years and I now find myself unable to get work to feed my family of 4. I don't like these breadlines. I would rather work than have food given to me."

Scott Helbert, miner at Dante No. 52, said, "My family would be in bad shape without this food. Work is what we need—not free food."

Alonzo Hurd, Dante miner, said "The present situation here in the coal fields is worse than any I experienced in Hoover's times and it keeps getting worse—not better."

And that's the story as this writer has tried to honestly report it. Grim, stark tragedy faces these men who have spent the best portions of their lives digging coal in the underground pits. They have no sidelines, no other vocations they can follow.

This is their story and it isn't a pleasant one.

STATEMENT OF HON. W. PAT JENNINGS, A REPRESENTATIVE IN CONGRESS FROM THE NINTH DISTRICT VIRGINIA

Mr. Chairman and members of the committee, I appear before you today to speak in support of H. R. 2851, which I introduced in the House of Representatives, and similar bills which were introduced by my colleagues.

House bill 2851 is designed to amend the regulations governing the Commodity Credit Corporation to allow for the processing of certain commodities for donation to the hungry citizens of this Nation, who, although our grain storage bins are bulging at the seams, go to bed at night with an empty and aching stomach.

House bill 2851 will allow the Commodity Credit Corporation to process and package a portion of our surplus grains into flour and meal to be distributed along with other surplus commodities to the hungry men, women, and children of my district and those of my colleagues.

My statement here today, for lack of a better title, may be termed "The Story of a Breadline—Without Bread." I must confess I have used a part of a headline carried in one of my district's weekly newspapers, the Lebanon News, which I will introduce in a moment as part of my testimony. However, this statement sums the situation exactly.

Six counties of my district are primarily coal-producing counties where unemployment has soared in the past months and where suffering and distress is only being alleviated to some extent by the distribution of surplus foodstuffs. These coal counties have no other industry to depend on and as the coal production has dropped, unemployment has increased. The entire economic situation appears today as though a blight had struck the area. Its mark was left on the faces of men, women, and children—my constituents who are depending on me and you, as their elected representatives, to take steps to help them.

A conservative estimate for the coal counties would place the unemployment at approximately 8,500. Now this may not seem too large to many of you, but if you compare it with the total labor force of the area, it would be approximately 20 percent or about 1 in every 5 workers. This unemployment total will be much higher should people be added from my other counties.

In the past year, distribution of surplus food has been the only thing that has saved many of these people from real hunger. During the month of March, there were 68,412 persons receiving these foods, consisting of butter, shortening, beans, rice, dried milk, and cheese. To thousands of people, including many children, these commodities make up their entire diet for breakfast, lunch and dinner. And this is their fare at meals without the staff of life—Bread.

Mr. Chairman and members of the committee, compare this diet that I have outlined above to the breakfast, lunch, and dinner you had yesterday, today or will have tomorrow. These people, through no fault of their own, have been reduced to the point that they cannot earn an honest living but must depend on a breadless breadline for their existence.

I wish to introduce as a part of my statement, a copy of the Lebanon News, a weekly newspaper published at Lebanon, Russell County, Va. The pictures and story tell of the distribution last fall of foodstuffs at one coal mining community. The situation is the same today—a long line of men and women waiting to draw their ration of cheese, dried beans, dried milk, and butter. With flour milled from some of our surplus grains, these housewives who daily strive to feed their families could make bread by using the milk and shortening they receive.

Mr. Chairman, let me emphasize that these people are not bitter because of their plight. They are looking for better things in the future and they are grateful for the aid they have received during the past few months. However, these men want to work, to earn funds to buy the things their families need. They are a proud people and would go to work tomorrow should the jobs open up for them.

I want to say here that many of these miners have gone to other cities to seek employment, but they have had little success. Their unemployment compensation has been exhausted and their income is now practically nothing.

The number of unemployed in my district is small compared to the neighboring States of Kentucky and West Virginia. Representatives from these States will tell you of the need for this processed grain in their own districts.

There have been objections by some people that the milling of this grain would put the Commodity Credit Corporation into competition with commercial milling concerns. I wish to state that there would be no competition. These people are not presently buying from commercial millers. They have no money to buy and this contention seems to me to be absurd. I do not want to see legitimate merchants lose business because of the availability of surplus food, but I feel

at the moment that distribution of this food is the proper approach to assist these people in weathering the current economic setback until new sources of income are found.

Some people have stated, in opposition to this program, that we are putting the Agriculture Department in the relief business; that we are making a welfare agency out of the Commodity Credit Corporation. My answer to such statements is simply this: Isn't it much better to distribute this surplus grain as flour and meal to our own needy than to give it away abroad? Isn't it better to grind this grain into flour and meal and distribute it to our needy along with the other surplus foods rather than pay storage in warehouses and bins? I have been informed that in some cases, this stored grain has rotted, become infested with insects, mice or other rodents. Let's use it before we lose it.

It seems to me that the distribution of processed grain is an administrative matter and can be handled by the department or agency to which the responsibility is delegated. It makes no difference to me or the people of my district who are hungry whether the Agriculture Department, the Commodity Credit Corporation, or the Department of Health, Welfare, and Education is charged with handling this program. What we need, and need immediately, are the ingredients to make bread.

There is a safeguard built into the Virginia distribution system. A person applying for aid must be certified to be in need by the local welfare office. Whenever that person secures employment and can again buy food for his family, he will be dropped from the distribution list.

I wish to reiterate that I believe such distribution of surplus foods will be temporary. I have great confidence in the future of the coal industry and I believe that it will recover to some extent. However, new industry must be located in these counties to provide more jobs. The State of Virginia is assisting in this matter and a survey is underway by the department of conservation and development to determine the availability of plant sites, electricity, transportation, and the other things that make an industry interested in moving into a community. In connection with making jobs available, I plan to introduce legislation soon to authorize a public works program to provide temporary employment. This public works program would give top priority to projects in surplus labor areas and would be financed by State and Federal funds.

Mr. Chairman and members of the Agriculture Committee, I intend to ask the Virginia State official who is responsible for distributing these commodities to come here and tell you of the need for milled grain to use in making bread. I am also asking local welfare department workers who daily see the people and hear them ask for bread to bring their story to you.

I have read in the daily press that a proposal to ship thousands of bushels of this grain to a foreign country is being considered by our officials. I am unalterably opposed to such a plan until we first meet the needs of our own citizens here at home. We have been generously supporting and feeding various segments of the world population for the past several years. Although I favor some of this foreign-aid program, I will oppose it until we meet our obligations in our own Nation. Our own citizens, who have paid their taxes in the past so that we could assist other peoples of the world, are now seeking aid.

In connection with this foreign-aid program, perhaps if my district would secede from the Union and then make application for foreign aid, the request would be approved. In any event, it is hard to justify in my mind and in the minds of my people this huge amount of foreign aid when such pressing needs exist here at home.

Let us turn some of our generosity from foreign nations to our own cities and counties where the specter of unemployment is stalking. We must face the facts that we have unemployment, that we have obligations to these people, and that we must do something about it. It seems that some officials of our Government are more interested in putting forth arguments to explain away the fact that we have soft spots in our economy rather than thinking up ways to do something about it.

I came to Congress with the idea that I could help my people. That is what I am trying to do here today. I hope that you will consider these statements I have made and those that will be presented by other Representatives who have constituents in the same situation.

I want to leave you with one thought that was included in a summary of this distribution program prepared by the director of the Virginia commodity distribution system. He has been intimately acquainted with the program in Virginia and this is what he writes and I subscribe to his views wholeheartedly. "A hungry

child can think only about his hunger, but the well-nourished child stands ready to understand and absorb the meaning of our American tradition of freedom and democracy."

Mr. Chairman, thank you for allowing me to present this statement. I strongly urge that the committee give its approval to this bill and report it to the House of Representatives for action.

Mr. GRANT. Our colleague, Mr. Byrd, has been very patient waiting to testify. We will be very glad to hear from you.

STATEMENT OF HON. ROBERT C. BYRD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. BYRD. Mr. Chairman, my statement is very brief, and with your permission I would like to read it.

Mr. GRANT. You may proceed.

Mr. BYRD. Mr. Chairman and members of the committee, I am deeply appreciative of this opportunity to appear before this distinguished committee on behalf of H. R. 2851. This bill is similar to H. R. 2824, which I have introduced, and to bills which various other Members have sponsored. It would provide for the payment by the Commodity Credit Corporation of the cost of processing wheat and corn into a form suitable for home or institutional use (for example, flour and corn meal) for distribution to needy persons in the United States under authority of either section 407 or 416 of the Agricultural Act of 1949, as amended. Under the present law, wheat and corn cannot be processed into flour and meal respectively at the expense of the Commodity Credit Corporation prior to distribution in the United States.

Mr. Chairman, in my opinion, this legislation is a "must." In West Virginia, we are experiencing a depression. All throughout the coal-producing sections of that State are idle 250,000 persons certified to receive commodities in West Virginia, and this figure represents one-eighth of our total population.

These people are of a noble race. They are good taxpayers, they are hard workers, they make excellent soldiers, and they are Americans to the core. Our Government has a responsibility to them. The precept that we are our brother's keeper has been assiduously followed with reference to our fellow human beings all over the world, but charity begins at home; and, while we have been liberal in providing a helping hand to our brothers in foreign lands, we have been, in a manner, negligent concerning our own flesh and blood. Under title 2 of Public Law 480 of the 83d Congress, certain surplus agricultural commodities may be made available to meet famine or other urgent relief requirements overseas. Wheat, for example, has been shipped overseas under authority of this title as both raw wheat or as flour, depending on the needs of the particular situation. It would be a serious indictment of governmental policy to continue to fail to provide flour for our own needy peoples.

At the present time, certified individuals are being given butter, shortening, cheese, milk, rice, and beans. I and my people are grateful for these, but bread is the staff of life. The average American does not know what it is to sit down to a meal without bread. The recipients of surplus commodities have every right to expect and demand that flour be supplied them. The wheat with which our

storehouses are bulging has been procured with money from the taxpayers' pockets, and when the American taxpayer needs this grain for his very existence, it is only right that it be provided. The cost of processing grain would likely be no greater—if, indeed, as great—than the cost of keeping it in storage, and I am sure that it would be far better to pay whatever cost is necessary to provide hungry people with food than it would be to continue wasting the taxpayers' money in warehousing costs.

In the days of Pharaoh, Joseph, in his wisdom, advised that food be stored during the 7 plenteous years for use against the 7 years of famine, and—

in the 7 plenteous years the earth brought forth by handfuls—
and—

the 7 years of dearth began to come, according as Joseph had said. And the dearth was in all lands, but in all the land of Egypt there was bread * * * and Joseph opened all the storehouses.

Mr. Chairman, there is a virtual famine in some areas of our own country today; but, unlike the land of Egypt, in Joseph's day, there is no bread, and unlike Joseph who opened the storehouses, we are foolishly keeping them closed. Is this justice?

Shakespeare, in that magnificent work of genius, the Merchant of Venice, placed in the mouth of Portia these words:

The quality of mercy is not strained; it droppeth as the gentle rain from heaven upon the place beneath * * * it is enthroned in the hearts of kings; it is an attribute to God himself; And earthly power doth then show likest God's when mercy seasons justice.

Mr. Chairman, our people ask not for mercy; their plea is for justice. I urge the committee to act favorably upon this legislation, and if this is not the legislation, to devise some legislation in order that the unemployed and their children may have bread.

I am grateful, again, for this opportunity and privilege to give you this expression of my views on such an important matter. You have been kind to listen. With your permission I shall include a letter which I have just received from Mr. Waggy, West Virginia State supervisor, division of commodity distribution. The letter follows:

HON. ROBERT C. BYRD,

House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BYRD: We have understood that it might be possible to receive flour processed from Government wheat for distribution to needy unemployed families. We have 250,000 persons certified to receive commodities in West Virginia, and flour would greatly add to the diet of these persons, in that we now have butter, shortening, cheese, milk, rice, and beans.

We get numerous requests daily for flour for distribution and would appreciate it very much if this item could be made available.

Yours very truly,

WILLIAM WAGGY,

State Supervisor, Division of Commodity Distribution.

Mr. GRANT. Thank you very much, Mr. Byrd, for your statement. I notice in this letter it is stated that approximately 250,000 persons were certified to receive commodities in West Virginia. Approximately how many would you say in your home district?

Mr. BYRD. In my district, Mr. Chairman, there are 85,000 or almost 20 percent, men, women, and children for whom surplus commodities constitute the principal source of food supply. In other words,

1 out of every 5 people in my district are presently receiving surplus commodities.

I might point out that I represent the largest coal-producing district in the United States. I need not say here how badly the coal industry has been hurt. I need not tell you about the economic problems which face the industry. I think it is enough to say that I represent that great coal-producing district, and that in itself will reveal just exactly the kind of problem that faces the people there in connection with surplus commodities, and the need for them.

Mr. GRANT. I quite agree with you. I think the country as a whole appreciates the problem of the people in your district in West Virginia. If there is no other witness at the present time, the committee will stand in recess subject to call of the Chairman.

(The following statements were submitted to the subcommittee:)

STATEMENT OF HON. M. G. BURNSIDE, A REPRESENTATIVE IN CONGRESS FROM
THE FOURTH DISTRICT OF WEST VIRGINIA

Mr. Chairman and members of the committee, I am M. G. Burnside, of the Fourth District of West Virginia. I want to thank you for extending to me the opportunity of appearing here today. I do not want to make a long statement. I am here simply to inform you of my wholehearted support of H. R. 2851. I have introduced a similar bill, H. R. 2823, to accomplish the same purpose—that is, to enable the Commodity Credit Corporation to process food products for donation. I am not so much concerned about the method by which we accomplish this objective as I am in effecting it as soon as possible.

I felt it necessary to introduce H. R. 2823 in order to provide some measure of relief for the people in my district who are suffering today. Our principal employers are the coal, oil, textile, glass, pottery, chemical, and railroad industries. Each of these is in a state of extreme depression at the present time. Employment in West Virginia is at its lowest point in 14 years. There are 7,624 people in my district alone who are relying on surplus food for existence. The situation in the rest of the State is equally serious, and there is little prospect for improvement.

Therefore, I think it absolutely essential that steps be taken to help the thousands of people who are victims of this near-disaster condition. Enactment of this bill is one of those steps. West Virginia is unable to provide any assistance for the thousands of unemployed persons who have exhausted their unemployment benefits. These people need food. It is actually a question of life or death to them. In testifying before the Joint Committee on the Economic Report, January 27, 1955, Mr. Leo Fishman, professor of economics at West Virginia University, said: "Social workers report that the physical growth of many children is being stunted and their personalities warped. In some instances, death is being hastened because of the inadequacies of the public assistance program."

The bill now before this committee will permit the Commodity Credit Corporation to process some foods into a form which will enable it to be used by individuals and institutions. Wheat, some of which is spoiling, can be processed into flour and corn into meal. So vital is the need for this food that I think there is no objection strong enough to overcome it.

We already distribute vast quantities of surplus food to the unemployed in foreign lands. Let us not be like the cobbler who was so busy making shoes for others that his own children remained barefoot. I urge you, gentlemen, to report this bill as a relief measure to correct a serious inequity.

STATEMENT OF HON. ELIZABETH KEE, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF WEST VIRGINIA

Thank you very much, Mr. Chairman and other distinguished members of this committee, for your courtesy so graciously extended in granting me an opportunity to submit a statement with reference to this extremely important proposal presently pending before you for your consideration. In fact, Mr. Chairman, the proper disposal of surplus commodities is one of the most important questions to be determined by the Congress. This legislation, if quickly enacted, will

relieve to a considerable degree the unnecessary human misery, suffering, and starvation now facing hundreds of thousands of our American citizens.

The coal-producing areas of the United States are today suffering from the highest rate of unemployment in the history of the coal industry—one of America's basic and most important industries. Due to this tremendous unemployment and lack of job opportunities in my district alone, the foreseeable future is dark and so many of our citizens are living on hope alone. For example, as of December 31, 1954, in 6 of the 7 southernmost West Virginia counties, comprising the Fifth Congressional District, a total of 75,856 individual American citizens were depending upon surplus commodities for survival. In other words, nearly 1 out of every 4 persons—that is, men, women and children—living in these 6 counties were absolutely dependent upon surplus commodities because of the lack of job opportunities. Since December 31 unemployment has continued to rise.

Mr. Chairman, the human beings who are drawing surplus commodities are in dire need. They are hungry. Many today are suffering from malnutrition and actual starvation. This unfortunate situation has now been going on for over 2 years. Each week continues to find the situation a little worse. Most of these recipients have long since used up their unemployment compensation, and, with no jobs available, they have no way in which to earn money for the necessities of life for themselves and their families. Especially when these heads of families lost their jobs through no fault of their own, it is no wonder they are so discouraged.

The State of West Virginia itself is now in serious financial distress. With such a large percentage of its population out of work, the State's income has been seriously affected. West Virginia is unable to raise the funds necessary to feed its hungry people.

The butter, cheese, dried milk, dried beans, shortening, and rice presently being distributed in West Virginia have saved many from absolute starvation. In addition, these recipients are in dire need for basic commodities such as bread, flour, and corn meal.

The Federal Government has a vast supply of wheat now deteriorating in warehouses maintained by the Federal Government. Our United States Government should immediately project a program designed to offset this human suffering. Because the State and local communities are financially unable to do so, the Federal Government should mill the wheat and provide bread, flour, and corn meal for distribution to those found to be eligible. If our Government allows a segment of its population to ruin its health by malnutrition, it will only store up future and vastly more expensive problems.

The immediate need for an adequate relief program is extremely urgent. As I close, Mr. Chairman, it is my hope that your committee will bring to the floor of the House of Representatives a well-thought-out and workable distribution program which will do more than any other single piece of legislation to eliminate so much of the unnecessary suffering and confusion now existing.

STATEMENT OF HON. AUGUSTINE B. KELLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. Chairman, I am not going to belabor this committee with a further recital of the dark days that have fallen on the coal industry of this Nation. You have heard the story many times and I know the members of this committee know the story is true. Let it suffice to say that there is dire want and need in my district in Pennsylvania. Only the distribution of surplus food prevents actual starvation in many cases. Thousands depend upon this surplus food alone for every meal. There is no employment to be had either in the district or adjoining areas.

My people are grateful for the food they are receiving. They would prefer to work and purchase their own food, of course, but the day when they had any money to purchase anything is long past. So they make the most of what they have and plan desperately for better days. One food they need badly is bread. That is an essential in the life of every miner. Since there is no distribution of flour or meal they are forced to do without what, to them, is the main course in every meal.

So, I am being petitioned daily to get flour and cornmeal added to the surplus food distribution. My people know there is wheat and corn in abundance in the storage bins of the Nation. They know that some of it is going to waste. The newspapers of this country have shown pictures of wheat on the ground for lack

of storage space and they wonder why they can't have it processed into flour for their use. My people know that in their prosperous days they were taxed to purchase this wheat and corn. They know now that more fortunate citizens are being taxed to purchase more surplus foods so that a stable agricultural market may be maintained. They know that if our farmers are kept prosperous, the Nation as a whole will be prosperous. I have never had to explain my support of the agricultural program.

But I will tell you this right now that I am going to have to do some tall explaining in the future if the recommendations of the Department of Agriculture are followed by this committee. I very much fear that their argument to process wheat into flour will add too much to the cost of the farm-support program, leaves hungry people very cold. I fear that most people are more interested in keeping body and soul together than they are of adding cost to a program they are already financing. They are well aware that flour and cornmeal are being shipped overseas to hungry allies and starving foreigners. They are also aware that the foreign-aid program pays the Department of Agriculture for this service. They also know where the foreign-aid program gets its money and they can see no reason why American tax money can't be used to pay for the processing of wheat into flour to feed starving Americans as well as foreigners.

I know the argument advanced by the Department, that to process wheat and corn will interfere with regular trade channels and only throw flour into a saturated market, doesn't arouse much enthusiasm. Flour they want and flour they need. Where it comes from is secondary. They can't buy it without money, Mr. Berger to the contrary. I can attest that my people are broke and so will be the merchants of my district, who have given credit to hungry people, with eventual bankruptcy and insolvency facing them. Buy flour indeed. The cold-blooded and heartless attitude of the gentlemen who represented the Department of Agriculture before this committee is a blot on the reputation of a Nation whose open-handed generosity is our pride. It may be that the Department is opposed to charity for sweet charity's sake. I will be the first to admit it has been abused. But when the need is so great, where want is so obvious, where starvation is a reality, not a possibility, it makes me ashamed that any American would say "No" regardless of cost, political considerations, or any other excuse, real or fancied.

Mr. Chairman, I have been a supporter of the farm program. I supported the program of my party. I want to see the farmers of America strong and prosperous. But events of the past 2 years have given me cause for pause, for deep thought, for reconsideration. Let me say this to you in all sincerity; that if my people or any segment of the American people are going to be allowed to want, to suffer, and to starve, when there is food aplenty in this country, when we are feeding millions of foreign citizens from our surplus stocks and at the expense of our taxpayers, then, it is my duty to my people to oppose any program that raises the price of any food to any citizen. It is my duty to see that substantial amounts of food can be purchased should they raise a few pennies to purchase. My people, American citizens, come first above all things and here is one open-and-shut case of charity beginning at home—so far as I am concerned. The Department of Agriculture may consider it beneath its dignity to take part in a welfare or relief program. Personally, I think the Department should be honored to have been chosen the vehicle that brought aid, sustenance, and cheer to so many deserving American citizens. It is my understanding that the greatest of human virtues is charity.

(Thereupon, at 12:45 p. m., a recess was taken subject to call of the Chair.)

PROCESSING AND DISTRIBUTION OF DONATED FOOD COMMODITIES

THURSDAY, APRIL 28, 1955

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to call, at 10 a. m., Hon. Harold D. Cooley, chairman of the committee, presiding.

The CHAIRMAN. The committee will please be in order.

The Chair recognizes Mr. Jennings of Virginia.

Mr. JENNINGS. Mr. Chairman, it is a sad task I have indeed to call to the attention of the committee that the former chairman of this committee, a predecessor of mine, a real champion of all the people of America, died yesterday at his home in Bristol, which is in my Ninth District of Virginia.

Mr. Flanagan served 18 years. He died at the age of 70.

I want to call to the attention of the committee at this time his passing.

The CHAIRMAN. Thank you very much, Mr. Jennings.

Mr. JENNINGS. I might say, Mr. Chairman of the committee, I will have more to say concerning this on the floor and will welcome any observations from those of us who served with him.

The CHAIRMAN. John Flanagan was a member of this committee when I came on the committee during my first session in Congress. I had the pleasure and privilege of being closely associated with him for a long number of years.

I know he was a great champion of the people and particularly a great champion of the cause of agriculture. He made many great contributions to the cause of agriculture during his services in Congress.

He was a very courageous man, a very honest and upright and distinguished citizen.

I am sure that all members of this committee sympathize with his bereaved family. I hope that you mention this on the floor of the House today and that the members of this committee will be in attendance. I hope that you will give them notice about the time when you will bring this sad news to the attention of our colleagues in the House.

Mr. HOPE. I expect to say something on the floor with respect to Mr. Flanagan. I am sure that every member of the committee personally feels a very keen sense of the loss in the death of John Flanagan, with whom I served many years.

During a considerable part of that time he was chairman of this committee, and I was the ranking Republican member. We had a wonderful relationship there and a trust and confidence in each other that I will always treasure and appreciate.

Mr. JENNINGS. I have a resolution for the committee at the proper time.

The CHAIRMAN. I would like to get permission from the committee to send a message to Mrs. Flanagan.

Mr. JENNINGS. I have the following resolution:

Whereas John W. Flanagan, for many years worked devotedly in the interest of farming and farm people;

Whereas he served devotedly and effectively for many years as a Member of the House of Representatives and contributed his leadership to agriculture as a member and chairman of the House Committee on Agriculture;

Whereas his dedication to agriculture contributed greatly to the improvement of the way of life of farmers and their families;

Whereas as a member of and as chairman of the House Committee on Agriculture, he endeared himself to all its members: Therefore, be it

Resolved, That the committee has heard with profound sorrow and sense of deep loss of the death of John W. Flanagan: Be it further

Resolved, That the committee express sincere sympathy to the widow and other members of the family: and be it further

Resolved, That the committee clerk communicate this resolution to the family of the deceased.

I urge adoption of the resolution.

The CHAIRMAN. Without objection, the resolution will be adopted and the clerk will be directed to send a copy to members of the family.

The Chair would like to recognize Mr. Burnside at this time. I understand he has a unanimous consent request to insert a statement in the record.

STATEMENT OF HON. M. G. BURNSIDE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. BURNSIDE. Mr. Chairman, gentlemen, I ask unanimous consent to insert a statement in the record and ask your careful consideration of the plight that exists, especially throughout the Alleghenies and other areas of the country.

The CHAIRMAN. Without objection, the statement will be inserted in the record.

(The statement referred to is as follows:)

Mr. Chairman and members of the committee, I want to thank you for inviting me here this morning, and I congratulate you for considering this important legislation.

I don't intend to take up a great deal of the time of this committee today. My purpose in appearing here is simply to urge you to consider most favorably the bills now before you which authorize the Commodity Credit Corporation to process food for distribution. These bills are designed to permit surplus food products to be processed into a form suitable for use in the home, or by an institution. Wheat, for example, could be made into flour and distributed.

My reason for introducing such a bill, and my reason for supporting the bills now before this committee, is very simple. Conditions in West Virginia are so serious that some relief measure is imperative. Our employment level is at its lowest point in 14 years. Thousands are existing on surplus food. In terms of human suffering and misery, there is simply no way to paint an adequate picture of the present situation.

Many lives are being saved by food products which are already being distributed. It is fortunate that these foods are available. But social workers and physicians have pointed out that children are being deformed, their physical and mental growth is being retarded, by lack of proper food. In some areas families desperate for bread are trying to barter surplus butter and cheese for bread.

In short, gentlemen, the need for passage of one of the bills now before you is urgent. In my opinion it is so great as to completely outweigh any objection which can be presented. I can see no serious objections in the form of the bills, and I think it is our duty to take immediate favorable action.

The CHAIRMAN. The Chair will recognize Mr. Mollohan.

STATEMENT OF HON. ROBERT H. MOLLOHAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. MOLLOHAN. Mr. Chairman, I am here this morning in behalf of H. R. 2851, my own bill H. R. 2864, and other similar bills that are presently before the committee.

I have a prepared statement, Mr. Chairman, but it is my understanding that the committee is thoroughly familiar with the legislation, that the need for it has been established to the satisfaction, I think, of most.

There are some question to be reconciled, but if the Chair will permit, I should like to just insert in the record my statement, and emphasize only one point.

The CHAIRMAN. Without objection, the statement may be inserted in the record.

(The statement referred to is as follows:)

STATEMENT OF ROBERT H. MOLLOHAN, REPRESENTATIVE, FIRST DISTRICT OF WEST VIRGINIA

Mr. Chairman and members of the committee, I deeply appreciate this opportunity to present my views and to urge your support of H. R. 2851 and the number of similar bills, including my own H. R. 2864, introduced in this Congress to correct an inequity visited upon many thousands of our needy citizens as a result of the enactment of Public Law 480 by the 83d Congress.

Since July 1, 1954, under authority granted it by section 103 (a) of the Agricultural Trade Development and Assistance Act of 1954, the Commodity Credit Corporation has contributed, in round figures, 12,300,000 bushels of surplus wheat and 2,600,000 bushels of processed wheat flour to relieve hardship and suffering among the people of Europe, Asia, and the Western Hemisphere.

This is the equivalent of almost 1 billion loaves of bread—enough wheat and flour, in fact, to provide a loaf of bread a day, very day for almost a whole year to each one of the presently estimated 3,176,000 unemployed workers in this country. It is, I think you will agree, a great deal of bread indeed which this Nation, from its bounty, has cast upon the waters of our friendly relations with other lands.

But under this same law, gentlemen, there is no bread, there is no wheat or corn, and there is no flour for a similar distribution to the needy among our own unemployed workers and their families.

Now I am convinced that there is no member of this distinguished committee—nor any Member of this Congress—who would deny to a hungry man or his family the bread they need to keep body and soul together. Still there is no bread or meal or grain among the commodities distributed to the destitute unemployed under our present surplus food distribution program.

Yet, today, in some of the coal-producing counties of Kentucky, Pennsylvania, and West Virginia, almost 1 of every 3 human beings is dependent upon public assistance to sustain life. In West Virginia, over 34,300 breadwinners exhausted their unemployment benefit rights in 1954 without finding work. Now, they and members of their families—some 250,000 of them—or approximately 12½ percent of our total population—must look to the State's public-assistance program for aid. But there is no adequate aid available to them through our State public-assistance program already overburdened by the long and protracted business depression from which our area is suffering. The only help many receive is from the Federal Government's surplus food distribution program.

But while this country has grain to spare and the funds to process that grain into flour for the disaster-struck peoples of other nations, it withholds this help from its own.

The fault, they say, is ours, because Congress neglected to authorize the Commodity Credit Corporation to process surplus farm products for domestic distribution even while providing such distribution for our friends—and some not so friendly—overseas. At least, this is how the Secretary of Agriculture has chosen and in my opinion rightly so, to interpret the language and the intent of the 83d Congress which enacted the legislation authorizing the surplus food distribution program.

If this is the case, the remedy is at hand. There are before this committee now, a number of bills—which would rectify the error. I use the word “error” because I am convinced that there is not now, nor has there ever been a Member of the Congress who would grant to the hungry peoples of other lands the help and assistance he was unwilling to extend to our own.

From the time Public Law 480 was enacted up to the present time, the Commodity Credit Corporation has sent 70,339 metric tons of wheat flour and 334,228 metric tons of wheat, valued at \$48¾ million overseas. For the information of this committee, I attach a table giving the full breakdown of these shipments and the purposes for which they were donated to the people and their governments abroad. The amount required to give bread to unemployed workers in this country will be but a small fraction of this amount.

As to the actual cost of this program to the Federal Government, I am informed by the Agriculture Marketing Service that, including schools, institutions, and needy families, the total amount required to produce wheat flour for all domestic outlets would amount to only 500,000 bushels of wheat a year—scarcely a drop in the bucket out of our enormous surplus supply.

Furthermore, there will be absolutely no cost to the Government of converting wheat into flour. Based upon 72 percent of extraction, the value of the by-product obtained through the conversion process will pay not only the conversion costs but will also pay for bagging and transportation as well.

I should like to emphasize to you gentlemen the extreme importance of this project to us in West Virginia and to other areas where unemployment is raising acute problems. This is, I believe, one of the few occasions when we, who represent districts which are not primarily agricultural, have come before this committee with a specific request.

There have, however, been innumerable occasions when your committee—many of whose members represent the farming communities of the Nation—have looked to us for support of the programs you have initiated for the welfare of the country and, more particularly, for its agricultural areas. That support has, I think, always been forthcoming. Consequently, I feel certain that, in this instance, we may look forward with confidence to the same considerate treatment of our problems.

Once again allow me to thank you for your courtesy in extending me this opportunity to express my views.

Distribution of surplus wheat to foreign countries, fiscal year 1955

Country	Purpose	Amount	CCC value
<i>Under authority of title I, Public Law 480, 83d Cong., 2d sess.</i>			
Hungary.....	Danube flood relief.....	10,000 metric tons wheat.....	\$1, 120, 000
East Germany.....		750 metric tons wheat flour.....	131, 000
Yugoslavia.....		10,000 metric tons wheat.....	1, 120, 000
West Germany.....		1,000 metric tons wheat flour.....	163, 000
Haiti.....	Hurricane Hazel.....	1,047 metric tons wheat flour.....	277, 000
Nepal.....	Earthquake and flood.....	1,200 metric tons wheat.....	145, 700
All nations.....	Xmas package program.....	23,028 metric tons wheat.....	2, 014, 000
Vietnam.....		4,032 metric tons wheat flour.....	800, 000
<i>Gifts to foreign governments (but not necessarily for free distribution).</i>			
Libya.....		27,000 metric tons wheat.....	3, 250, 000
Bolivia.....		63,500 metric tons wheat flour.....	7, 700, 000
Yugoslavia.....		275,000 metric tons wheat.....	32, 000, 000
Total.....			48, 720, 700

Data supplied by Legislative Reference (Mr. Hagen, Ext. 614) through FOA.

The CHAIRMAN. I would like to say that Mr. Grant, of Alabama, the chairman of the subcommittee, will make the report in executive session this morning on the legislation which we are now discussing.

I wanted to give the authors of the several bills an opportunity to appear before the full committee, to the end that the full committee might know the importance of the legislation we have before us.

We are glad to have you make a brief statement, Mr. Mollohan.

Mr. MOLLOHAN. I appreciate that opportunity, Mr. Chairman.

I should like to emphasize only one thing, and that is the extreme importance of this project to us in West Virginia, and to other areas where unemployment is raising acute problems. This is, I believe, one of the few occasions when we, who represent districts which are not primarily agricultural, have come before this committee with a specific request.

There have, however, been innumerable occasions when your committee—many of whose members represent the farming communities of the Nation—have looked to us for support of the programs you have initiated for the welfare of the country and, more particularly, for its agricultural areas. That support has, I think, always been forthcoming.

Consequently, I feel certain that, in this instance, we may look forward with confidence to the same considerate treatment of our problems.

I thank you very much, Mr. Chairman.

The CHAIRMAN. The committee will be very glad to recognize Mr. Bailey at this time.

STATEMENT OF HON. CLEVELAND M. BAILEY III, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. BAILEY. Mr. Chairman and gentlemen of the committee, I am here, of course, to add my voice to those of a number of my colleagues who have introduced legislation to provide for the processing and delivery to the hungry people of the State of West Virginia, and other States similarly affected by unemployment, some of the surplus wheat and corn available in plentiful supply now, and under control of the Commodity Credit Corporation.

Mr. Chairman, I, myself, and the members of the group who are presenting this case before the committee this morning, are not here pleading for help. We are here demanding civil justice.

I think it would be well if the committee had a little bit of the background history of this situation.

Back in the first session of the 83d Congress, almost overnight the proposition came up that we had to do something in order to help out Pakistan.

The situation was bad in the mining areas of West Virginia and the other Appalachian States at that time, and I thought it was well to call attention to the situation and the need that those people had there for some of these surplus foods, particularly the wheat.

So I attempted to amend the legislation to give 37 million bushels of wheat to Pakistan by offering an amendment that would allow the governors of the States in which the President of the United States had declared certain areas critical because of unemployment; that the governor of that State be permitted to requisition the wheat.

That amendment lost on the floor by 11 votes. So the matter went on until the 2d session of the 83d Congress when you offered what is known as your surplus food disposal bill.

I appeared before your committee, Mr. Chairman, at that time and pleaded for the inclusion in the bill and succeeded in getting included in the bill in the section following the one that authorized surplus goods in the amount of \$300 million be placed at the disposal of the President for distribution abroad for the purpose of buying good will.

The section of your bill that applied to the President said that the Commodity Credit Corporation shall transfer the wheat for this purpose.

When it came down to the section dealing with the distribution of it to these hungry people it said they may do it.

If you recall, Mr. Chairman, I took the floor on an amendment and struck out the word "may" and inserted the word "shall."

I also at that time had another amendment which I realize now I should have pressed to passage, if possible. That amendment changed the wording of a section farther down in the bill which said:

Such distribution shall not be made until the President of the United States has issued an order saying it will not interfere with normal marketing conditions.

You will recall, Mr. Chairman, that you took the floor and asked me to not press that amendment because you needed it for other administration purposes in the legislature. You said:

Mr. Bailey, you have your amendment through to compel the Commodity Credit Corporation to transfer, and you have your wheat.

In the face of that, I withdrew that amendment.

When I went down to see the Commodity Credit Corporation about the distribution of the wheat to those hungry people, I was faced with this proposition that I did not strike out, and I was told by the Commodity Credit Corporation that the President had not issued any order saying it would not interfere with normal marketing conditions.

Now, I have been before the Commodity Credit Corporation, or members of the group, on two separate occasions, and, frankly, I have been getting the runaround, because I understand they have already appeared and are appearing in opposition to the legislation we are proposing this morning.

The situation has to be met.

You will recall, Mr. Chairman, in my comments to your committee last year when we were passing this legislation, I had been a consistent supporter of agricultural legislation. I made this statement in my district in West Virginia, and the State of West Virginia was not a producer of agricultural production, but a consumer, and that I, like Secretary Dulles, found myself on the verge of a reevaluation of my stand at that time.

The stand of course, had been that I had been supporting the agricultural legislation. That past vote is the first one that I have cast against the agricultural group.

I have an open mind on it, but I think it is a good time to make the point that there are other groups in the Nation to be considered, as well as the agricultural groups, and we do have a serious problem here, Mr. Chairman.

The CHAIRMAN. If my friend will permit me to interrupt at this point—

Mr. BAILEY. Certainly.

The CHAIRMAN. I would like to say that my friend from West Virginia knows full well that this committee thought that we were

doing just what the gentleman from West Virginia wanted to be done. Actually, that section that you referred to was called the Bailey provision by members of this committee.

I want to commend the gentleman from West Virginia for his splendid efforts in behalf of the people of his district and State.

Now, if the Commodity Credit Corporation used some language or some other provision in that bill to justify a failure to make this wheat available to the people of West Virginia and other distressed areas, I certainly hope that our friend from West Virginia will not blame the members of this committee, because I think you know that we in good faith thought we had achieved what you wanted accomplished.

Mr. BAILEY. May I reserve decision until I find out what action this committee takes?

The CHAIRMAN. I think you are perfectly justified in reserving decision.

Mr. BAILEY. Mr. Chairman, I was told frankly by the Commodity Credit Corporation, I was given to understand that the distribution of this wheat, the giving away of a few sacks of flour to these hungry people, would interfere with normal marketing.

I want to protest their position because there is no purchasing power in those mining communities. I have in my district a community of 1,500 to 2,000, a mining center in which the mine has been abandoned by the company, the company store moved, the steel pulled up and the mine abandoned completely.

There is no other source of employment there and there is no purchasing power.

Now, I am not asking that this distribution of this food be made at large to the people of West Virginia, or any other State, but in the State of West Virginia we have 26 of our 55 counties declared critical areas due to unemployment.

In Raleigh County, one of the counties in the district of my colleague, Mr. Byrd, the recent unemployment figure showed 22.7 percent of the labor force unemployed in the city of Beckley, and the County of Raleigh.

Eighteen percent in the adjoining county of McDowell.

There is no purchasing power left with those people. There are no jobs there. There is no other industry. There is no possibility of agriculture in a county like McDowell.

There is no other source for those people to earn purchasing power.

The CHAIRMAN. These people are receiving other aid and assistance, are they, and other foods?

Mr. BAILEY. Mr. Chairman, at the last report I had there were 243,000 men, women, and children receiving surplus foods in the State of West Virginia.

The CHAIRMAN. But no bread?

Mr. BAILEY. No bread.

The CHAIRMAN. No meal, no flour?

Mr. BAILEY. No meal, no flour. About January 1 they began distribution of a limited amount of rice. What they had been getting was dried eggs, dried beans, butter, some kind of a cooking fluid, I believe a few cheeses were distributed.

The CHAIRMAN. Were you advised by the officials of the Commodity Credit Corporation that on account of the fact that the President had not issued a statement to the effect that this distribu-

tion of flour would not interfere with normal trade channels, that the Commodity Credit Corporation was not able to do that?

Mr. BAILEY. That is right. That happens to be the section of the bill, the paragraph in the bill that I wanted to strike out in my amendment that you asked me not to strike out.

So there is a certain responsibility on the part of this committee.

The CHAIRMAN. Did any of you authors of this legislation try to persuade the President to issue such a statement?

Mr. BAILEY. I did not, because I thought it was the business of the Commodity Credit Corporation.

The CHAIRMAN. In other words, you felt sure and you still feel sure——

Mr. BAILEY. He is well aware of the situation, the unemployment situation there, because I had been pleading with him to start some public works in the State, particularly in my district.

So they are well aware of the situation existing there.

The CHAIRMAN. Mr. Bailey, you are convinced, on account of the fact that these poor people have no purchasing power, that this distribution of wheat could not in any way interfere with normal trade channels?

Mr. BAILEY. Mr. Chairman, I am convinced and I want to tell the committee what I told the Commodity Credit Corporation. There is a question of whether you are going to serve these people, these helpless people, or whether you are going to serve the interests of the big milling, flour producing, and distributors of flour.

They don't want a single sack of this flour given away as long as some charity organization will arrange to get the dimes and quarters necessary to buy it for the people. I might as well be frank about it.

The CHAIRMAN. I have this to say, Mr. Bailey, for the millers of America, in talking about wheat for Pakistan, my recollection is that the man representing the millers of America came into this committee room and said that they would mill this wheat into flour free of charge.

Mr. BAILEY. Then what is the argument on the part of the Agriculture Department?

The CHAIRMAN. I do not see any argument at all. It seems to me that if the millers of America are willing to mill wheat into flour for the people of Pakistan, maybe some of them will be generous enough to mill this wheat for some of the people of America.

Mr. BAILEY. I advised the Commodity Credit Corporation that our State distributor of surplus products had arranged with milling companies in my State to process this flour for the ordinary millers' commission, taking out their toll, giving us a standard number of sacks of flour.

Some of the other States are not as well situated as West Virginia in processing its own, but we would be glad to take the wheat and process it ourselves.

The CHAIRMAN. Do you know how Mr. Stassen arranged to have the wheat processed into flour which he put into his Christmas packages and sent out on his "Operation Poinsettia" during the Christmas holidays?

Mr. BAILEY. Will you make your statement again?

The CHAIRMAN. I said, do you know how Mr. Stassen arranged to have his wheat processed into flour to send it out on "Operation Rein-

deer" and "Operation Poinsettia" Christmas, 1953, and Christmas, 1954? I understand that they had processed wheat in those packages.

Mr. BAILEY. That is true, but I do not know all the details of it.

I would like to inquire, Mr. Chairman, at this point, to know, since the question has been raised about who will supply the money for processing this flour and distribution of it, who paid the 21 million freight bill on the wheat that went to Pakistan?

The CHAIRMAN. Who paid it?

Mr. BAILEY. Yes.

The CHAIRMAN. The taxpayers of America paid it.

Mr. BAILEY. Through what agency?

The CHAIRMAN. Through Mutual Security.

Mr. BAILEY. Why are they complaining about the payment of the small item involved in the processing of this flour when they can get the flour processed free for that purpose?

The CHAIRMAN. Even if they do not, even if they are not successful in having it processed free; you still think that this wheat should be made available and should be processed?

Mr. BAILEY. I do, and I am not particular about who pays the bill.

I am perfectly willing, if you want to amend the legislation, to designate someone to assume that responsibility, but there, Mr. Chairman, you will meet with the statement from them that our budget has already been prepared and is in the process of being passed on and it is too late to get additional funds in our budget for that purpose.

So if the Commodity Credit Corporation had been doing that for other people, they can certainly do it for hungry Americans as well as hungry people abroad.

I do not think there is any argument, and I do not think we should stand for any argument.

The CHAIRMAN. Thank you very much, Mr. Bailey, for your statement.

I yield to Mr. Hope, who wants to ask you some questions.

Mr. HOPE. Mr. Bailey, I want to agree with what our distinguished chairman has said with respect to the persistence and persuasion with which you have pursued this matter through this period that you have had distress in your State. You certainly have been very persistent and very persuasive.

But I want to ask you this question: Not in any antagonistic way, because I am sympathetic with your proposal, but do you think we can say—I do not think we have to—but do you think we can say that any wheat or flour that we might distribute through these channels will not in some way interfere with the normal distribution of these commodities?

Mr. BAILEY. I would say, Mr. Hope, that in a small community such as I mentioned of twelve or fifteen hundred people, one of those abandoned mining towns, that two-thirds of the people are still there, among those you would probably find a few miners drawing a \$50 a month pension from the miners welfare fund, they have exhausted months and months ago their unemployment compensation, they have not been able to get a job to go back to work where they came under unemployment a second time, so there is no purchasing power there.

There might be a few old-age pensioners that might have a few pennies.

Mr. HOPE. They are eating bread, though; they are being fed one way or another, are they not?

Mr. JENNINGS. Would you yield there?

Mr. HOPE. I yield to Mr. Jennings.

Mr. JENNINGS. Here is something that might interfere.

Here is a letter from the Welfare Department. It says—

During 2 bad months of this winter the churches of Bluefield, Va., bought and delivered to Pocahontas some food. I was told by our social worker in that area that three-fourths of that was in meal and flour.

That was truly charity begins at home.

This letter goes ahead and points out the fact that in many of the cases that no bread is being used.

I have letters saying that cheese tastes pretty good between bread, but cheese between cheese is not so good.

The CHAIRMAN. I was told this morning that some of these school-children of West Virginia were so anxious to obtain some bread that they were offering to exchange butter for bread and they could not get bread. They had no money to buy.

Mr. BAILEY. That is correct. I would like to add that the number of free meals being distributed by the hot-lunch program of West Virginia, the number of free meals have increased 20 percent.

They just do not even have the pennies to pay the few pennies that are required.

Mr. POAGE. Giving these people cheese, we are giving them dried milk and those sorts of things. Those are all processed products. Those are not dairy products as they come from the cow. It cost money to make cheese. It cost money to produce dried milk.

I do not see any difference in milling wheat and in making cheese out of our milk. If we are going to say we are not going to give people anything except wheat grains we might as well say we are not going to give them anything except fresh milk.

Mr. HOPE. We are supporting the price of some processed commodities. But as far as I know we are not supporting any products processed from grain. There the support is on the grain itself.

The only thing, Mr. Bailey, that I was interested in pointing out was that I think that you cannot get away from the fact that there are some people in all these communities who are getting flour and getting bread under existing conditions through normal channels, but I am not saying that—

Mr. BAILEY. Would you say that the gift by the Salvation Army was normal channels if they have a few pennies to buy some bread through them, or some charity organization? That is not the American way of life.

Mr. HOPE. That is a matter of interpretation whether it is, or not.

The only thing I am suggesting is that I think you and your associates here who are interested in this matter, is to—I do not think you have to make out a case—

Mr. BAILEY. You are suggesting that I go down to the White House and get down on my knees. Do you think after the fight I waged on reciprocal trade and St. Lawrence seaway that I would have any influence at the White House? Let us get serious.

Mr. HOPE. The only point that I make, Mr. Bailey, and I am very sympathetic with your position here, is that I do not think you

should necessarily be required to say under the conditions that exist here that you are not interfering with normal channels of trade.

Mr. BAILEY. It certainly is in a lesser degree.

Mr. HOPE. My point is that I do not think you should necessarily be called to prove it under the circumstances.

Mr. BAILEY. The demand is made on me by individual families who tell me they have 8 or 10 children and they are virtually starving. I do not need any more proof.

Mr. HOPE. I am just simply talking about the theory.

Mr. BAILEY. I am sure this committee can find a way. We will take any reasonable amendment that the committee wants to put on.

Let me say while I am talking now, I do not think there is a single individual here interested in whether their name goes on the legislation or not.

What we want is some flour and some meal; make it a committee; I believe one of the members of your committee has a bill similar to the other bills introduced. Make it a committee bill, or hand a bill to Mr. Jennings.

You gentlemen know the problem that is facing us over there.

The CHAIRMAN. Are there any further questions?

Mr. BAILEY. Prepare your legislation and report the bill out.

The CHAIRMAN. Mr. Harrison wishes to ask you a question.

Mr. HARRISON. If I remember correctly, this is the first time that you have been before this committee, but this condition has existed there for some time.

Mr. BAILEY. For 3 years. This is my third appearance before this committee.

Mr. HARRISON. The way you explain it it does not seem to be getting any better. Is this going to be a continuing situation?

Mr. BAILEY. So long as we do not check the influx of residual fuel oil. There is no hope for the coal industry unless we can do that.

Mr. HARRISON. These people are going to stay there; it is your opinion they are going to stay there and just wait for the time when we can check the influx of, as you call it, residual fuel oil?

Mr. BAILEY. They are looking forward to that time, of course, and hoping that some other industry might be induced to come in.

Now, let me say to you that the situation, Mr. Chairman, has been made doubly bad because the coal companies have ways looking into the future maybe a little better than the average coal miner.

So some 5 to 10 years ago they started selling the company-owned houses to the miners, taking so much deduction out of the miners' pay checks.

So the coal companies got out from under and got the title to most of the homes in those mining communities transferred to the individual miner. He got that home partially paid for.

Now that the only industry in that community, the property is not worth 20 percent of what he paid the coal company for it, and there he is stuck with the property.

It is a place for him to live and he does not have enough money to pay rent anywhere else, so he is still sticking there on his little property which he owns which he will lose for nonpayment of taxes if he does not get a job.

I am surprised that people want to argue about such a situation.

Mr. HARRISON. It appears as though it is going to be a continuing situation. It is not something that is an emergency.

Mr. BAILEY. The situation so provokes me that I am frank to say that if there was an opportunity afforded me, I would vote to abolish the Commodity Credit Corporation tomorrow and do it freely, because I think they are the bottleneck.

Mr. HARRISON. Did you make the statement that if the people had the wheat and corn they would process it themselves?

Mr. BAILEY. We have arranged with the milling companies in West Virginia to do it. The State has set up and bought the trucks and are distributing the surplus products now.

Why not add flour and meal to that and let the same State facilities distribute it?

Mr. HARRISON. If you got the wheat and corn, you would do the processing yourselves?

Mr. BAILEY. Yes, but some of the States, unfortunately, are not in a position to do what we are able to do in West Virginia. We did it in World War II and it just worked fine. We even supplied flour for the hot-lunch program in World War II. Flour ground in the mills right there in West Virginia.

The CHAIRMAN. Mr. Bass.

Mr. BASS. Mr. Bailey, I would like to ask this question:

Do you mean to tell me that you have people hungry, needing food, needing bread, just plain bread, flour and meal, and that legislation has been enacted which would allow the Commodity Credit Corporation to furnish those people bread simply by an Executive order of the President of the United States?

Mr. BAILEY. That is right.

Mr. BASS. Do you think that he has been made aware of the fact that there are hungry Americans who need this food and simply could get it by a simple Executive order saying it would not disrupt normal channels of trade? Do you think he is aware of that?

Mr. BAILEY. He should be aware of it.

Mr. BASS. Do you mean to tell me that the President of the United States would not by a simple Executive order make bread available to hungry Americans when this Congress and this committee has already passed legislation enabling him to do that?

Mr. BAILEY. It might be well for you to ask that question of the representatives of the Commodity Credit Corporation.

The CHAIRMAN. Some of them are here, I think, Mr. Bass.

Mr. BASS. In other words, one executive order would eliminate the necessity of this legislation, would it not?

Mr. BAILEY. Mr. Perkins says he has the answer here. I will yield to him.

Mr. BASS. Mr. Perkins, can you answer?

STATEMENT OF HON. CARL D. PERKINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. PERKINS. I certainly can.

On numerous occasions I have advised the White House of the distressed conditions existing in the eastern district of Kentucky coal fields and today 51 percent of the coal miners in all the coal-producing counties in my area are unemployed; that is, in comparison with the number that were employed in 1950 and 1951.

I have advised the President of these conditions on numerous occasions and some assistant down there always answers back and we never get anywhere. We never make any progress.

The CHAIRMAN. May I interrupt there?

Did you call the President's attention to the necessity of an executive order?

Mr. PERKINS. I did not.

The CHAIRMAN. Well, that is the thing that Mr. Bailey says has been the stumbling block. I am inclined to believe that had somebody called that to the President's attention he probably would have issued an executive order and made the wheat available.

Mr. BASS. Mr. Chairman, I am for this legislation. I think it is an outrage that Americans are hungry today and this food is available for them and we are not making it available.

Let me suggest, Mr. Chairman, that someone be delegated by you to advise the President of the necessity of this executive order, then we can go on and pass this legislation.

But if these people are hungry, I think that the wheels of the Congress roll a little bit slowly while people are hungry.

The CHAIRMAN. Mr. Matthews.

Mr. MATTHEWS. I want to say I am very much in sympathy with this legislation, Mr. Bailey, not only in the terribly distressed area that you gentlemen represent, but all over the United States, this problem of people that need more food and it looks like we cannot get it to them.

About the only argument that I can see against any kind of legislation such as this splendid legislation you have proposed is that it might interfere with normal channels of trade; but is it not true that these poor people do not trade at all?

Mr. BAILEY. That is right.

Mr. MATTHEWS. How can it interfere with normal channels when they do not have anything to eat?

In other words, in the case of going down to the grocery store and buying flour it is a case of not buying any flour at all.

It is not your opinion that this legislation and similar legislation to relieve distressed areas cannot possibly interfere with normal channels of trade?

Mr. BAILEY. May I say to the gentleman from Florida that the President himself, when he declared those areas critical areas due to the heavy amount of unemployment in them, that he must have understood the responsibility of the Federal Government for doing something.

If it was serious enough for them to be declared a critical area, it should have been followed up by getting relief to them, but not a single sack of flour or bushel of wheat has been distributed.

Mr. MATTHEWS. I am very much interested in this problem of helping our people in distress and at the same time getting rid of some of this troublesome surplus.

In my district if the people getting old age assistance could get \$5 worth of corn or meal, it would be of great help to them. They could use corn for cornbread and meal and feed a few chickens. They could certainly use this milled wheat.

I think it would be good common sense if we realize that our old folks need more help. Instead of giving them cash if we could work

out something in the nature of this food distribution it could all fit very well in some kind of picture of helping us to solve this surplus problem.

I want to thank the gentleman for giving the fine statement he has.

Mr. BAILEY. Thank you, Mr. Matthews.

Mr. Chairman, I think I should conclude at this point with the closing shot that if any members of our group that you need with your subcommittee, if you want to make any changes there in the committee, we will be available to do it before the subcommittee makes its final report.

The CHAIRMAN. Thank you very much, Mr. Bailey; we appreciate your coming here this morning.

We have Mr. Byrd, Mr. Van Zandt, and authors of some other legislation we would like to hear.

As soon as we can conclude these hearings we expect to go into executive session and discuss this bill and receive Mr. Grant's report for the subcommittee.

Mr. BAILEY. Mr. Chairman, I want to apologize for the straight-from-the-shoulder talking, but I am noted for doing those things. I have no apologies to offer. I could have been even rougher.

The situation is serious and it demands action. I am insisting on getting it.

The CHAIRMAN. Thank you very much, Mr. Bailey.

The Chair recognizes the gentleman from Oklahoma.

STATEMENT OF HON. CARL ALBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. ALBERT. I have the honor of proving by exhibit A that Oklahoma grows something besides cotton. [Applause.]

This young lady lives over in my part of the State, the Arkansas River bottoms just below the Ozarks. She was an outstanding student of Oklahoma A. and M. College where she graduated in January.

She has been selected as Maid of Cotton and it is my pleasure to present her to you and to the committee, Mr. Chairman. [Applause.]

The CHAIRMAN. May I say on behalf of the committee that we are delighted to welcome you this morning, and most of all, to congratulate the committee for having selected you as the Maid of Cotton.

We think the committee made a very wise decision.

Before you say what you are about to say, I want to express the hope that you will find your role very pleasant and very profitable. I want to assure you that the members of this committee wish you good luck on your trip.

STATEMENT OF MISS DeLOIS FAULKNER, SALLISAW, OKLA.

Miss FAULKNER. I would like to say, throughout my tour, I will be visiting 31 cities in the United States, Canada, and different countries in Europe, and I certainly consider this one of the highlights of my tour.

I will do my very best to be a good ambassador for you and the country.

Thank you. [Applause.]

The CHAIRMAN. The Chair recognizes Mr. Byrd.

Will you please make as brief a statement as you can. We want to get into executive session as promptly as possible. We want to receive Mr. Grant's subcommittee report.

STATEMENT OF HON. ROBERT C. BYRD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. BYRD. Mr. Chairman, I have had the honor and privilege to appear before the subcommittee on this subject before. I shall not indulge upon your time. I have been taking just a few notes as I sat here and listened and I would like to address myself to those notes, because I think they might help to answer some of the questions that were directed to earlier witnesses.

To begin with, I might say that I represent the largest coal producing district in the United States. You know the position in which our mining industry has been placed of late. You know by my representing such a district that I must have a tremendous amount of unemployment.

As a consequence, I must have a tremendous number of people who are receiving surplus commodities.

My colleague from West Virginia, Mr. Bailey, told you that we had 243,000 people in West Virginia receiving surplus commodities.

I have received a letter from the distributing agency of the commodities in West Virginia and I have been told by Mr. William Wagge, who is in charge of the distribution, that we have over 250,000 people receiving surplus commodities in the State of West Virginia. That would represent 1 out of every 8 people in the State of West Virginia receiving surplus commodities.

We only have two million people in the State. My district alone, we have a tremendous amount of unemployment and a tremendous number of people who are receiving these commodities.

Someone raised the point a little while ago about an Executive order from the President. Someone else asked if the President had been informed of this situation and I can only testify as to my own experience.

For nearly a year now I have been attempting to get an appointment with the President of the United States in order that I might tell him of this problem. Time after time the members of my staff have been told that the President's program is full and that he is very busy; that he has no time.

I think upon one occasion I was promised 1 minute. I wrote a letter to the President about 4 or 5 months ago. I received no acknowledgment in writing. I did receive a telephone call from someone down there saying that they would try to work out a little time for me in which to speak to the President.

I waited about 3 months and I wrote again and I have had no acknowledgement of that letter.

I have had no acknowledgement either by correspondence or by telephone.

Now, it is getting to be a pretty bad and sad state of affairs when one of the 435 Members of the House of Representatives of the United States cannot get before the President to present a problem

such as we have confronting us in the State of West Virginia, and other coal-producing areas.

I do not blame the President for that. I think if I had an opportunity to speak to him he would listen with sympathy and maybe we could get such an Executive order, but certainly we have to get past the palace guard before we get to see the President.

I am sorry to inform you that a letter written by one of the Members of Congress has gone this long unanswered and that my pleas to be heard by the Chief Executive of this country have gone unanswered, unanswered and unattended to.

So it may not be so easy to get an Executive order from the President when we cannot even get close to him to present our problems.

Now, someone might say, and I heard it argued here the day I came down before the subcommittee, that giving this food to our fellow Americans would place the Department of Agriculture in the position of being a charitable organization.

My opinion is this: It might be a little difficult to swallow our pride, but it might be a good thing if some of our administrative agencies would swallow their pride, even if it does mean acting as a charitable organization.

My people do not want charity. I do not believe that if they received this wheat and corn as flour and meal that they will be receiving charity. This wheat and corn and this other food was stored at the cost of the taxpayers of this country. They paid for it. Why should they not be given it back when they need it?

All of this talk about charity is just so much baloney. It is not charity.

These people own this food. The children are hungry. I say, let the organization call it charity if it wishes, but we want food.

The CHAIRMAN. Will the gentleman yield?

Mr. BYRD. Yes, Mr. Chairman.

The CHAIRMAN. I do not think it is up to the Commodity Credit Corporation, or any other agency of the Government to take any arbitrary position in regard to the disposition of this food. We have the officials of the Commodity Credit Corporation here. They are charged with the responsibility of administering this law.

Now, if because of some oversight on the part of this committee, or the House or the Senate, we left a provision in this bill requiring the President to make this order and no one has brought it directly to the attention of the President, then somebody might be derelict in their duty. Nobody complained about charity when we were giving away \$300 million to foreign countries. We gave \$300 million to the President to give away.

We gave away \$700 million in local currencies. I do not think anybody would be greatly disturbed about the fact that the Government is giving some of this food to Americans who are in distress.

I think we can see now that we have come to the point where this food is going to be made available to these people. It will be made available if there is anything I can do.

I think you can see from the sentiments expressed here this morning that every member of this committee who has expressed himself has said he is in sympathy with the objectives sought to be accomplished by you and other members of Congress.

I know that all of us are aware of your great efforts and the efforts of others to get this food and have it made available.

Mr. BYRD. Mr. Chairman, I do not mean to interrupt you there, but I know that you are very kind in permitting us this opportunity to be heard. I do not want to talk very much longer.

I do have another point I would like to make. Someone has suggested that these coal miners might be taken into other areas and put to work where they might earn their daily bread, but it is not a matter alone of solving the unemployment problem in the country. We must remember that coal, of course, is a basic industry in peace and in war. These coal miners have had years of experience in mining coal.

It is not a very easy thing to take them into some other area and teach them to perform other kinds of work.

The CHAIRMAN. The average age of the coal miners is substantial, too; is it not?

Mr. BYRD. It certainly is, and it is becoming increasingly difficult for anybody to obtain employment after passing the age of 40 or 50 years. Most of those coal miners are 40, 45, 50, and 55 years of age.

It is not an easy thing for them to find other employment if it is there for them to get. Many of them are going to other areas and they are returning to West Virginia and they did not find employment.

Again let me say that the coal industry is a basic industry. Our people make good sharpshooters. They make good soldiers.

The CHAIRMAN. They make good football players.

Mr. BYRD. That is right.

You might be interested that the person who first flew faster than the speed of sound was a West Virginian. We pride ourselves on having good citizens, good taxpayers, good law-abiding citizens, good men who are willing to serve their country in a time of war.

I think it is only asking in the name of justice that people like this be given the food which they paid for out of their own pockets.

I have nothing more to say other than to close with a little piece of poetry. I do not say it lightly; I say it because I think it emphasizes the point which I wish to leave with you.

When you get all you want in your struggle for power,
And the world makes you king for a day,
Then go to a mirror and look at yourself,
To see what that guy has to say,
For it is not your father, your mother, or wife,
Whose judgment upon you must pass,
But the fellow whose verdict counts most in your life,
Is the old boy looking back from the glass.
You may be a Jack Horner and chisel a plum,
And think you are a wonderful guy,
But the man in the glass will just say you are
A bum if you can't look him straight in the eye.
You may fool the whole world down the pathway of years,
And get pats on the back as you pass,
But your final reward will be heartaches and tears,
If you cheated the man in the glass.

Let us not cheat the man in the glass. When we cheat our fellow Americans, and I do not use the word in its ordinary connotation of cheating, but when we refuse them food, that they paid for, we are cheating them and we are cheating ourselves.

Thank you, Mr. Chairman, you are most kind.

The CHAIRMAN. Thank you, Mr. Byrd.

Mr. King.

Mr. KING. It seems to me that we are listening to a lot of conversation and missing the point that should be considered by this committee. We all have sympathy for anybody who is hungry to the point of needing food.

We are not either providing it or denying it by this legislation.

What we are faced with here is what is the best method.

Now, the question: Do you believe that the taxpayers expense in providing this food will be made any less by this legislation authorizing the CCC to go into the processing business than it would cost the taxpayers if it is provided through the regular channels now operating every day?

There is meal and there is flour all through your section down there through the regular trade channels. It costs so much to provide this food through those channels.

Will it cost any less if we authorize the CCC to get into the processing business and set up a whole new and separate system of distribution?

Mr. BYRD. I will answer your question in two ways:

No. 1: I think it will cost less. I do not think it will cost any more to process this than it cost to store it.

I have no figures; I cannot prove that fact, but certainly I am not willing to be convinced otherwise unless someone can prove it to me with figures.

Mr. KING. Let us assume we are going to get the same amount of bread or meal, either way. Which is the cheapest way of providing it?

Mr. BYRD. I think, I still say it would be just as cheap to process the food as to pay storage on it.

Mr. KING. You have to pay the storage anyway. The storage has nothing to do with the thing. It is a question of processing it and getting it to them in that form.

Mr. BASS. Will you yield to me at that point?

You say the normal channels. Evidently, according to the testimony we have had here, the normal channels have not been operating.

Mr. KING. There is bread and meal through all their districts. There is no question about it.

Mr. BASS. These people have not been able to get it.

Mr. KING. They were going to supply the money one way or the other. Which way takes the least money? That is the only question.

Mr. BYRD. Mr. Chairman, the question was addressed to me. The gentleman asked me if I thought it would cost as much, or more, or less. I maintain the position that it will cost no more.

As my previous friends have already stated, and as I have said, too, when 1 out of every 8 persons is having to depend upon surplus commodities and that 1 out of 8 does not comprehend the figures, representing those people who are not living off surplus commodities, but who live off a pittance, \$15, \$20, \$25, and \$30 a month, if we took all that into consideration, I think it would not be an overstatement of the fact to say that 1 out of every 4 people in West Virginia is living without bread.

When that many people are out of bread, I cannot agree to the statement that it would disturb in a great manner the normal channels of trade.

My second answer to your question is this, Mr. King, and I do not say it with any disrespect toward you, because I know you are interested in the answer to your question:

You are dealing with the cost as compared with the cost of processing it, and so forth. But to me, to my people, and I am sure you will agree with me, that the answer to that question cannot be the controlling factor in this whole subject with which we are dealing.

May I say this, and I will close: Dollars and cents are secondary to human suffering. Now, I know your committee is interested in that angle, too. Too often we listen to the tingle of silver and gold and do not hear the voice crying out in the wilderness for bread.

We represent 160 million people. We are naturally interested in the economy and in the cost of these things, but at the same time there is something which goes deeper than mere dollars and cents.

MR. KING. You are back emphasizing the need and perhaps saying inferentially that what we need to do is to get bread to them and this might be a method of getting it there, whereas the other way it will not come.

I only question whether or not this is the economical way to give them what they need, authorizing the CCC to go into the processing business and set up centers of distribution, is not in my opinion an economical way to do it.

MR. BYRD. In closing, Mr. Chairman, I might say that the committee is in a position to perhaps study the question presented by Mr. King and you certainly have the minds and the determination among your members collectively to create the proper legislation. If this is not it, let us get the right kind of legislation.

THE CHAIRMAN. May I ask this question: It is not necessary for the Commodity Credit Corporation to go into the milling or processing business. If they ship 10 carloads of wheat into West Virginia, the people in West Virginia could have it processed and the cost of the processing could be taken out, could it not?

MR. BYRD. Mr. Bailey answered that question. As far as West Virginia is concerned, we could do that.

THE CHAIRMAN. Other States could pay the processing cost by letting the miller take the toll out of wheat. That would simplify it.

MR. KING. If that is the case, there is nothing to stop the President from distributing food.

THE CHAIRMAN. Except the President has not found that it will not disrupt the normal trade channels. I think we should hurry on and hear these other authors and then get down to the Commodity Credit officials and see what the setup is.

MR. PERKINS. I have one brief and pertinent observation.

I had the occasion to appear before the Commodity Credit Corporation to try to get some bread in my area, accompanied by both Senators Barkley and Clements of Kentucky. We went into a thorough discussion with the officials of the Commodity Credit Corporation approximately 3 months ago.

It turned up in the course of the discussion that the Commodity Credit Corporation was very much against this program.

So I say here today that the only way we will get any bread in these distressed areas is for this committee to report out the bill and let the milling industries take out their toll and we will be satisfied.

Now, I do not know what the Commodity Credit officials will say now, but they objected at that time on the grounds that it would interfere with the normal trade channels.

The CHAIRMAN. How could the distribution of wheat, in the manner in which you have said, disrupt the normal trade channels any more than the distribution of processed dairy products through the same channels?

Mr. PERKINS. It is a comparable situation all the way through, Mr. Chairman, and it cannot interrupt any more so than the other commodities.

The CHAIRMAN. In other words, any person who is unable to finance the purchase of food for himself and his family is not able to get this food anyway?

Mr. PERKINS. That is right. They don't have the purchasing power.

I am here advocating that we put our starving people on the same basis that people abroad now have the right to this wheat, and that only. I think this committee will grant us that request.

The CHAIRMAN. Mr. Van Zandt, would you like to make a statement? I understand, Mr. Van Zandt, that you made a very splendid presentation of your views before the subcommittee.

Mr. Grant of Alabama is chairman of that committee. He expects to report to the full committee in executive session.

STATEMENT OF HON. JAMES E. VAN ZANDT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA

Mr. VAN ZANDT. First, I want to thank you for giving me this privilege of appearing before you. I appear in support of one of these many bills that you are now considering.

I, too, represent a heavy unemployment group of Americans up in Pennsylvania.

To give you some idea and then I will conclude: In my district of Pennsylvania, 18.6 percent of all the employables are unemployed. At the present time, 23,728 families in my district are living on surplus commodities, or 28.8 percent of all the families.

Breaking down the figures for families into individuals, 79,402 people, residents of my district, are living on surplus commodities; 27.1 percent of all the residents of my congressional district today are depending on surplus commodities.

Now, this district is where these football players come from, and we send them into North Carolina and send them into Tennessee and they make All-Americans as they play the game there for the benefit of you people.

In the great State of Pennsylvania 1,020,963 people are living on surplus commodities, or 9.7 percent of our population of 10,498,000 actually today are living on surplus commodities.

We are receiving all of the surplus commodities necessary. We are not making any complaint as to the amount of the distribution. Our people are getting the surplus commodities, but we do believe that this available wheat and corn should be processed into flour and into meal and made available to these unemployed people.

Now, the precedent is there. Already the Commodity Credit Corporation and the Department of Agriculture have processed the beef by preparing it and putting it into cans—gravy and beef. Those cans of gravy and beef have been distributed.

So the precedent is there.

As far as expenses are concerned, Mr. Chairman, if we have dollars to spend to feed the hungry of the world, why should we not spend dollars to feed the hungry here in the United States? The people in central Pennsylvania are hungry because they are unemployed.

It is for that reason I stand here in support of one of these bills that you gentlemen are considering. I hope you will report out one of them.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Van Zandt.

Mr. Staggers.

STATEMENT OF HARLEY O. STAGGERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. STAGGERS. Mr. Chairman and members of the committee, I will present my report, if I may, and make one statement.

The CHAIRMAN. Yes, sir; without objection it will be inserted in the record at this point.

(The statement referred to is as follows:)

Mr. Chairman, in behalf of H. R. 3947, which I introduced, and all similar bills to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, I urge prompt action.

We have great stores of surplus foods on hand; in fact, this is one of our major problems. Why can't we process this food and give it to the people in our country who are in need, yes, actually in want?

Sixty percent of our population, making less than \$4,000 a year, lack proper diets in our country. As the incomes shrink the consumption of healthful foods goes with it, so that finally protective foods reach the vanishing point. In this great land of plenty, why can't we make food available to those who, through no fault of their own, but from force of circumstances, do not have work, cannot get a job, and do not have enough to eat?

We send much food abroad for the purpose of giving adequate diets to our friends there; the least we can do is to achieve the same end in our own country. We can certainly extend this same friendship to our own by making available, in the form it can be used, surplus food to our own people. They cannot, however, use these surplus commodities until they are processed and I believe that it is only fair and reasonable that this should be done.

So let us promote adequate diets for the 15 million people on public assistance rolls and among the unemployed. Let all our children have equal opportunity for healthy bodies.

There are over 36,000 men, women, and children in my district in West Virginia directly affected by unemployment. The relief rolls in West Virginia are flooded with over 5½ percent of the total population receiving public assistance. According to statistics I have just received from the director of public assistance of West Virginia, there are 56,364 relief cases covering 116,524 persons in my State. One person out of every eighteen in my congressional district is receiving public assistance. These people are suffering. Many of them have a living standard far below comfort. The growth of many children is being stunted. In fact, there are cases where death has been hastened due to the lack of a sufficient public-assistance program. Are not these people deserving of aid from our Government?

Surely in our United States of America we can make available to those in need processed surplus foods. It would be a humanitarian act in the best American tradition to use part of our food surpluses to relieve the suffering of our own people.

Mr. STAGGERS. I would like to make one statement supporting my statement. I certainly am in favor of one of these bills being reported favorably.

We do not care how it is supplied to the people, but we are asking that it be done. We are leaving that up to this committee in their wisdom and in their deliberations to determine how.

The situation is sort of analagous to, I believè, a man who has a child sick in his own home and hears of a child, a neighbor's child, that is sick, and he rushes out of his own home over to the neighbor's home to take care of his neighbor's child and does not take care of his own child.

I think we should take care of our own children first.

The CHAIRMAN. We appreciate your statement very much. The committee is aware of your interest in the people of your district.

Mr. Gray, of Illinois.

STATEMENT OF HON. KENNETH J. GRAY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. GRAY. Thank you, Mr. Chairman, members of the committee.

I shall not take but a minute, but I do want to say that I am certainly happy to come here this morning and talk for one of the bills that I had the pleasure of introducing to help cope with this very serious problem.

I want to say this: that I have every reason to believe that this fine committee knows more about this problem than even the authors of these bills. I know that you gentlemen will come out of this committee with the recommendation to do what is just and what is right.

So I am not going into the arguments of whether this bill is good or whether it is bad, because I know that everyone of you know that it is needed.

I am sure that you will make the recommendation to come out of here with the bill favorably.

I do want to say just in passing, for just a moment, I want to tell you in southern Illinois we are suffering a complete and total economic chaos. We have 30,000 able-bodied men and women out of work. We have 25,000 receiving Government surplus food with other counties trying to get certified.

We have coal miners—a moment ago something was said that these coal miners should go other places. I want to tell you in one housing project in Carlsbad, N. Mex., there are 139 families from my hometown of West Frankfort, Ill., a town of 12,000 population. It got so bad, there was so much migration, that the officials of Carlsbad, N. Mex., sent word back to West Frankfort, to tell the coal miners to stop coming out; they did not have housing for them, there were not any jobs and not to come out to Carlsbad because there were no jobs for them.

Where are they going to go? They do not have this food. They need it. I say it again in closing, things are rough down in southern Illinois.

I am sure this committee will do what is just and what is right. I leave the decision in your hands.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Gray.

The Chair has just received a note from Mr. Gus Kelly who is detained in the House Committee on Education and Labor. He is unable to be here this morning.

Mr. Saylor.

That seems to cover all of the authors. Whom do we have here from the Commodity Credit Corporation? Is Mr. Hughes here?

Mr. HUGHES. Yes.

STATEMENT OF EARL HUGHES, ADMINISTRATOR, COMMODITY STABILIZATION SERVICE

Mr. HUGHES. Mr. Chairman, my name is Earl Hughes. I am Administrator of the Commodity Stabilization Service.

I have with me on my left Mr. C. G. Pulvermacher, Assistant Director, Commodity Disposal Coordination Division of the Commodity Stabilization Service.

Mr. Nathan Koenig, special assistant to the Administrator of Agricultural Services.

Mr. Howard P. Davis, Acting Director, Food Distribution Division, of the Agricultural Marketing Service.

The CHAIRMAN. Before you start let me ask you a few questions to simplify the situation.

You heard the testimony this morning presented by Members of Congress who are authors of the legislation.

Is the failure to make this grain available to these agencies due to the language in the law which indicates that the President must find that such use will not displace or interfere with normal marketing of agricultural commodities? Is that the main roadblock in the way of distributing this food?

Mr. HUGHES. Mr. Chairman, that is one of the things that we have been guided by.

The other thing is the fact that you must find that it is likely to be wasted; food wasted or deteriorated, unless it is given away.

Yes, we have limited our distribution primarily to the commodities that are perishable. And the commodities that are requested to be given in distribution we feel are storable commodities and by the rotation provision that we have instituted they are storable.

Our responsibility is primarily one of administering the Price Support Act and not administering the distribution of relief to needy people.

The CHAIRMAN. That is entirely true, but you are not restricted in the distribution of perishable commodities, only to those commodities which are about to deteriorate, are you? Because you can revolve that storage and put in new butter to replace old butter and you can keep that in good condition just as you can by exchanging wheat, new wheat for old wheat.

Mr. HUGHES. We have largely limited our distribution to perishable and semiperishable commodities.

The CHAIRMAN. But you are not restricted by law in the distribution of these surplus commodities only to those commodities which are about to deteriorate. You do not have to make a finding that the commodities are about to deteriorate before you make them available.

Mr. PULVERMACHER. May I inject one other thought, Mr. Chairman?

The present authority, the language concerns itself with CCC making commodities available, including reprocessing cost. Now, our General Counsel has held that, or has interpreted that to limit it to taking, for instance, butter in 60-pound blocks and putting it into smaller units. He has not interpreted that to include the taking of wheat and processing it into flour or corn into corn meal.

The CHAIRMAN. Whom are you talking about now?

Mr. PULVERMACHER. Our General Counsel of the Department.

The CHAIRMAN. Mr. Farrington?

Mr. PULVERMACHER. That is right.

The CHAIRMAN. You mean he has approved your chopping up butter from big blocks into little blocks, but not approved processing wheat into flour?

Mr. PULVERMACHER. Yes, sir; due to the fact it is reprocessing rather than processing.

The CHAIRMAN. The language of 416 says:

In order to prevent the waste of commodities acquired through price support and operations by the Commodity Credit Corporation.

Now, has that language been giving you any difficulty?

Mr. PULVERMACHER. No, sir.

The CHAIRMAN. Then the only language you are really disturbed about is the language in this section which requires the President, or indicates to the President he must find that the normal trade channels will not be disrupted?

Mr. PULVERMACHER. Further in that section you will find it reads:

The Commodity Credit Corporation may pay with respect to commodities disposed of under this section reprocessing, packaging, and transportation.

It is in connection with that that I was speaking.

In the absence of an Executive order under section 301, we feel that our present limitation is along the line that we are presently following and not offering wheat for conversion into the flour.

The CHAIRMAN. Does it all go back to the absence of an Executive order?

Mr. PULVERMACHER. It could be that, or an amendment of this language in the present legislation.

The CHAIRMAN. You have heard these Members of Congress say that they have conferred with officials of the Commodity Credit Corporation; that they brought these distressing situations to the attention of the officials of the Commodity Credit Corporation.

Now, have any of you called upon the President to issue an Executive order?

Mr. HUGHES. I think I can answer that, Mr. Chairman.

Other officials of the Commodity Credit may have been contacted, Mr. Berger, who is out of town, may have been contacted, but I personally have not been contacted.

The CHAIRMAN. You heard Mr. Perkins say that he and Senator Barkley and Senator Clements went down and had a session quite some time ago with the officials of the Commodity Credit Corporation and brought to their attention the situations.

Mr. JENNINGS. Did I not talk to you concerning this, Mr. Hughes?

Mr. HUGHES. At what time, Mr. Jennings?

Mr. JENNINGS. I do not know. Shortly after you came here. I talked to you by phone.

I might say, Mr. Chairman, in drawing up this bill, I asked Members; I talked with Mr. Hughes; I talked with Mr. Morse, and asked them if this bill would do what I wanted it to do. I was told that it would.

The CHAIRMAN. Well, is it just that simple now, that you have the food, you have the hungry people, and the food is not being made available because the President has not made this finding? Is that it, Mr. Hughes?

Mr. HUGHES. That is one of the reasons, sir.

The CHAIRMAN. What is another one?

Mr. HUGHES. Well, we have interpreted that any wheat or corn that is to be made available would displace that going in normal trade channels.

The CHAIRMAN. You have made an affirmative finding to that effect?

Mr. HUGHES. It is a conclusion of the Board of the Commodity Credit Corporation.

The CHAIRMAN. There is nothing in the law that requires you to make an affirmative finding. Here is an indication that the President must make an affirmative finding that it will not disturb the normal trade channels.

Mr. HUGHES. That is in addition to the fact that there has not been an Executive order directing us to do so.

The CHAIRMAN. Can you explain to this committee how processed wheat will interfere with the normal trade in wheat, through normal trade channels, in any greater degree than the processed butter and the processed meat would disturb normal trade operations?

Mr. HUGHES. If we were to make available, if we had the authority to do the processing which our General Counsel interprets we do not know, if we were to process wheat into flour and corn into cornmeal and make the distribution on relief agencies we feel that these low-priced commodities are first bought by those that are needy, and we would be supplying to the needy people commodities that would otherwise be supplied to them. It would displace wheat and corn.

The CHAIRMAN. West Virginia, if I understand it, has been asking for wheat in bulk, in carload lots, and West Virginia has assured you and your associates that if you gave it to them in carload lots they will look after the processing themselves.

Mr. HUGHES. Not to my knowledge.

The CHAIRMAN. How could we be so wrong? Mr. Bailey said they told you that, and Mr. Perkins, Mr. Byrd, and everybody else.

Mr. PERKINS. I told them that.

The CHAIRMAN. Do you understand there is any provision of the law that prevents your making this wheat and corn available in bulk to any relief agency?

Mr. PULVERMACHER. No; I don't think there would be any restriction with respect to—

The CHAIRMAN. What do you think Congress intended when we wrote about these surplus commodities in the bill? We referred to it as the Bailey amendment, because Mr. Bailey, of West Virginia, has beat his brains out around here trying to get some bread for his hungry people, and I thought at least when we passed the bill that you had complete authority to make this food available.

Now we find out that you cannot because you apparently have made an affirmative finding that to make this wheat available and corn available you would disturb normal trade channels. If you have made that affirmative finding, certainly the President is not going to reverse that.

I had hopes an hour ago that we might go to the White House and explain the situation to the President and he might issue an order and state that in his opinion it would not disturb normal trade channels.

Now, if you have made an affirmative finding that hope seems necessarily to fade away. How could you say that the distribution of wheat in the form of flour to hungry men, women, and children who do not even have a dollar or a dime to buy wheat and flour is going to disturb the normal trade?

Mr. HUGHES. Apparently, many of these people are now getting flour and cornmeal through local relief agencies or through money that is made available by the States. Certainly if we made it available directly that would be replacing the cornmeal.

The CHAIRMAN. Do you know the same families are getting beef-steak and butter and cheese and things of that kind also through the normal trade channels? If I understand one is not eligible to receive this food unless it has first been certified by a local agency that he is in destitute circumstances and not able to provide his own family with food.

Mr. HUGHES. In the matter of distribution, Mr. Davis, Agricultural Marketing Service, is handling that work directly and I will ask him to comment.

Mr. POAGE. Would the Chairman yield for a question before we get to Mr. Davis?

The CHAIRMAN. Yes, sir; Mr. Poage.

Mr. POAGE. Does not the present law provide in section 416 that you can give these things away? Does it not provide that it can be given for the use in nonprofit school lunch programs and in assistance of needy persons? Are these not needy persons? And in charitable institutions, including hospitals to the extent that needy persons are served. Under the present law, is that not one of the things you can do?

Mr. HUGHES. Mr. Chairman, I will ask Mr. Davis to comment.

Mr. DAVIS. Mr. Chairman, through all of these discussions there has been some little confusion between these two separate sections. The section to which the gentleman just referred does provide ample authority to the Department for the distribution of wheat and corn as such to needy persons.

However, as the gentlemen, who have spoken in favor of the bill before the committee, have pointed out, while this could be done in West Virginia there are many other areas of the country in a like situation who have not thought that it would be feasible to accept wheat and corn, as such, and have pursued the course of trying to find some way of getting the Commodity Credit Corporation to process that.

As I understand it, that is the purpose of the legislation before you, that is, to amend that one word in section 416 which is section 302 of Public Law 480, which I believe you are looking at, amend that one word from "reprocessing" to "processing" so that the Com-

modity Credit Corporation under the legal interpretations that we have been given would be enabled to distribute flour and cornmeal.

There is one other factor I think that has been overlooked on the State providing the processing charge. While it is true from the investigations we have made that the value of the byproducts on the wheat might very well cover the cost of milling and packaging, that is certainly not true in the case of the corn.

Most of the States are finding it very, very difficult to finance their share of the cost of distributing the commodities that they are already getting and do not feel that they could take on additional costs for processing these commodities.

The CHAIRMAN. Let me interrupt you right there.

Suppose we process on a take-home basis. That would not cost the State anything. It would come out of this wheat.

Mr. DAVIS. Again, our General Counsel has told us that under our legislation the State could not use donated corn to pay the miller for processing; that the outturn of any wheat or corn that we donated to the States would have to be the outturn that was actually distributed and would have to be the same as the total quantity of the wheat or corn that we made available. On the wheat that would be the outturn of flour from a normal milling operation of so many pounds of wheat and so many pounds of flour.

Then the byproducts, according to our lawyers, could be used for paying that cost, but we could not give them 110 pounds of corn to make 100 pounds of cornmeal.

The CHAIRMAN. I do not think any member of this committee wants the Commodity Credit Corporation to be converted into a gigantic relief agency, but whether we want that or whether we do not want it, the fact remains that to some extent it has been used as a foreign relief agency, and the present Secretary of Agriculture and his associates, and some members of this committee, continue to charge the farm program and the Commodity Credit Corporation and the farmers of America with all of these gigantic gifts of food that we have made to foreign countries, and in quoting the figures, they talked about \$8 million, or \$12 million, knowing that a breakdown of those figures would show that it was relief for the foreign people suffering in foreign countries.

I am not criticizing you gentlemen because if you have an attorney to interpret the law and he says you cannot legally do this, we have no right to blame you or expect you to go contrary to your legal advice.

That brings me to this question: Knowing what you do know, Mr. Hughes, about the operation of the Commodity Credit Corporation, knowing what you know about the great gifts we have taken out of the Commodity Credit, and stocks, and inventories given to foreign countries and foreign people, do you or do you not approve the objectives sought to be accomplished by the bills now under consideration?

Mr. HUGHES. I believe, Mr. Chairman, that with respect to the gigantic gifts of wheat and commodities to foreign countries, Commodity Credit has been reimbursed for it by funds from FOA on wheat.

The CHAIRMAN. Reimbursed by Congress in the act to replenish the capital of Commodity Credit, yes. However, when we take the

figures from the Department of Agriculture, showing the cost of the support program on the basis of commodities for CCC, it shows a definite figure. Then when the Secretary issues a statement about the cost of the price-support program he gives the country stupendous figures, which do embrace school-lunch programs, gifts to foreign countries, and so forth, and all those things that are actually in the public mind charged to the farm program and the farmer.

I do not want to make this a relief agency. I know that primarily your purpose is not relief, but something else, a support program for Commodity Credit, but why could you not keep a separate set of books—after all, it is a bookkeeping transaction—saying that these commodities going into West Virginia are valued at so much.

Then when we come to replenish the capital stock of Commodity Credit we will know what we are doing. We will know that the States of West Virginia, Pennsylvania, and Virginia, are engaged in that relief activity, and keep it straight in the minds of Congressmen and also in the minds of the people of the country.

I come back to the question: Does the administration oppose this bill, or does the administration support the objectives sought to be accomplished by the bill?

Mr. HUGHES. The administration opposes the bill, sir.

The CHAIRMAN. Opposes the bill. Is that because you do not want CCC to become a relief agency?

Mr. HUGHES. That is one of the reasons; yes. We do not want these charges in this vast relief program charged up to the agricultural program.

The CHAIRMAN. No member of this committee wants the cost of that charged up to the farmers of America. Is that one of the objections of the administration?

Mr. HUGHES. I might reiterate some of the previous testimony.

The CHAIRMAN. Give us A. B. C. 1, 2, 3. What are the reasons for opposing the objectives sought by this bill?

Mr. HUGHES. Wheat and corn are storable commodities and with stock location there is presently no danger of substantial loss or waste of CCC-owned stocks; 2, the domestic donation of wheat and flour and cornmeal cannot be justified on the basis of need for surplus removal operations; 3, it would be difficult to avoid substantial displacement of the regular commercial marketings of wheat, flour, and cornmeal; and 4, the proposed distribution would be more in the nature of a welfare or relief program, which of course is not a direct responsibility of the Department of Agriculture.

Maybe, in view of the fact that this is before the entire House committee, I should insert in the record or read into the record this morning the previous testimony that was given before your subcommittee at a previous date.

The CHAIRMAN. That will be before the committee in executive session. Mr. Grant will give us a report as soon as we go into executive session.

Now you have your finger right on the proposition. That is 1, 2, 3, and 4, your objections to the legislation. I think the committee will agree that we do not want to make it a charitable organization, and we do not want it to interfere with the normal trade operations, but I still do not see how giving a loaf of bread to a hungry man on the sidewalks of West Virginia to take home to his children is going to disturb any normal operation of any businessman in West Virginia.

Mr. HUGHES. I would like to have Mr. Koenig comment.

Mr. KOENIG. Mr. Chairman, one of the problems presented by this bill is the fact that if this bill were enacted it would be impossible for the Department to narrow the distribution to any particular State or any particular area. The Department would have to meet whatever requests there were for the wheat from any area and therefore that would only intensify the problem of interfering with regular commercial distribution.

Mr. POAGE. I am anxious to get this thing cleared. You say you would have to meet any request that would be made. Do you not mean any request where it was established that food would be used for needy people?

Mr. KOENIG. Yes, sir; but that would mean also distributing the wheat in those areas where the need may not be as acute as, say, in West Virginia.

Mr. POAGE. If the people are needy should you not feed them in Minnesota or feed them in Florida?

Mr. KOENIG. Yes; you could, but the fact is your chances for interfering with normal distribution are far greater in some of those other sections than West Virginia.

The CHAIRMAN. The fact is, though, that the President must first act. He must first declare that the situation is a distressed area.

Mr. KOENIG. Not under this particular bill. That involves other legislation. Under the other legislation where the President would have to act, there is where you could limit your distribution definitely because there the President would describe the particular area.

The CHAIRMAN. Suppose we retain a provision in the law which requires the President to act initially. Then would you have any objections to the bill?

Mr. KOENIG. You already have that legislation on the books.

The CHAIRMAN. I know we have that legislation on the books, and if they have already declared these distressed areas, the thing that is missing is that the President has failed to find that it will not interfere with normal trade channels.

Mr. BELCHER. My understanding was the purpose of this bill was to remove that paragraph which gives any authority at all to the President and permit the Commodity Credit Corporation to supply wheat to West Virginia, or any spot in the continental United States.

The CHAIRMAN. Any spot where the President says it is distressed.

Mr. BELCHER. My understanding is that this removes any authority from the President at all.

Mr. JENNINGS. That is not the purpose. The purpose is the Commodity Credit says they have at the present time authority to reprocess. In other words, they may take a 60-pound keg of butter and reprocess that into 1-pound kegs, but they do not have authority to process. In other words, they may take a 60-pound block of butter and reprocess that into 1-pound blocks, but they do not have authority to process. They cannot take wheat and make it into flour, and this will give them that authority. It did not circumvent the President at all.

Mr. BASS. Mr. Chairman, I cannot see that the passage of this bill would be any more trouble to administer by the same process that you are administering the other surplus commodities.

Mr. JENNINGS. That is exactly right.

Mr. BASS. You would not have any more trouble finding out where wheat should go than butter or anything else.

Mr. JENNINGS. That is right.

Mr. DAVIS. Mr. Chairman, if I could clarify that point, we are again getting into two different sections of the legislation. Under the section 302, which amends section 416 of the Agricultural Act of 1949, the only stumbling block legally to our making complete distribution from one end of the country to the other based on the States determination of need is this one word "reprocessing," and I believe that is the point to which Mr. Jennings' bill, and others like it, is addressed.

The section which requires the President to declare an area a distressed area and to make a finding as to the displacement of normal channels, the commodity in normal channels, is in section 301.

Mr. JENNINGS. Does this bill mention that?

Mr. DAVIS. Of Public Law 480, which amends section 407 of the Agricultural Act of 1949. The section which requires a Presidential determination is section 407 of the Agricultural Act of 1949 as amended by the Congress last year. The part that depends on the reprocessing is section 416 of the Agricultural Act of 1949, as amended by the Congress last summer, and I believe it is the reprocessing that you are concerned with.

Mr. JENNINGS. That is right.

Mr. POAGE. May I ask you right there, on that section 416, which is the one that says reprocessing and repackaging, and so on, under that you have the authority, as I understand it, and as I understand you agree that you have the authority to act right now without any Presidential findings, without anything more than the State of West Virginia or Virginia, or Kentucky, or Illinois, or any other State, having found that these people are in need. The State agency having found that they are in need, you have the authority under the existing law to give them wheat; do you not?

Mr. JENNINGS. Yes, sir; and corn.

Mr. POAGE. You have refused to give them wheat; have you not?

Mr. JENNINGS. Yes, sir; they have.

Mr. POAGE. You have refused to give them wheat although you have the authority under existing law to do it?

Mr. JENNINGS. That is right, sir.

Mr. POAGE. Then, it is not a matter of law, and you cannot come to this committee and excuse yourself on the basis that this Congress has denied you a power that you want. You do not want the power. You do not want to give them wheat, because you have the right to give them wheat now.

You have refused to give them wheat that you have a legal right to give them now. Let us leave this processing entirely out. There is an argument here as to who can or who cannot process it, but there is not any doubt that you have refused to give them wheat, is there?

Mr. JENNINGS. The board of directors of the Commodity Credit Corporation has decided as a policy matter in the past, as I understand it, that wheat as such would not be declared available for domestic distribution.

Mr. POAGE. That is right.

r. Bailey, and with all these complaints as to what this committee has done, is not here to hear me. But I want to make it plain right now that this committee and this Congress has already done the things Mr. Bailey asked and has authorized you to give them wheat in West Virginia and that the Department of Agriculture and the Commodity Credit Corporation have found that they do not want to give wheat to West Virginia, and we do not force you to; consequently, you have not done it; so that is the reason we have to pass a bill here to force you to do the things you do not want to do.

The CHAIRMAN. If you will yield for a minute?

Mr. Bailey is not to blame. Mr. Bailey put the same interpretation of the language of the bill that we put on ours. He was not aware of the importance of this Presidential reference to the President's finding. He did not think that was going to interfere with it.

Personally, it did not occur to me that it would interfere, but I think you sized it up exactly right, that these gentlemen in the Department, as a matter of policy, have decided not to make this wheat and corn available and if it is to be made available this Congress has to force them to do so.

Mr. JENNINGS. That is right, and we are only saying that they be given authority to process. We are not saying for them to determine about the distressed areas.

Mr. POAGE. They have just said they would not give you wheat. Let us forget about the processing until we get wheat.

The CHAIRMAN. Let us get this clear for the other members of the committee. Under the law you can reprocess food, but you cannot process food. Is that not right? If you want to reprocess butter or any other commodity that has already been processed, you can reprocess it, but you cannot take wheat and corn and reprocess it?

Mr. JENNINGS. That is right.

The CHAIRMAN. If the object that we are seeking to accomplish by this legislation is the distribution of wheat and corn, process into meal and flour, for the hungry people who have been certified as being needy people, will this legislation, in your opinion, accomplish that objective? Or do you have any amendments that you could suggest to us that would make it perfectly clear so there would not be any question about the intent of Congress in the event this legislation is finally enacted?

Mr. HUGHES. I would say, yes, sir.

The CHAIRMAN. This legislation would accomplish it?

Mr. HUGHES. It would make it possible, I would say.

The CHAIRMAN. Would make it possible?

Mr. HUGHES. Yes.

The CHAIRMAN. We want to make it mandatory. We want to make it mandatory for you to make this food available to hungry Americans.

I have been just as liberal as anybody in Congress on these foreign relief programs, but when I see thousands and thousands of hungry Americans, I cannot rest very easily and, as Mr. Byrd said a while ago, I cannot look at myself in a looking glass and be satisfied that I have done what I should do.

You say make it possible. What are we going to have to put in here to make it mandatory, which would say you must do it? Then are you going to try to circumvent that and say you shall not do it?

Mr. HUGHES. We still have the problem as to whether this is to be donationwide in all communities——

The CHAIRMAN. You know what we intended. We intended that it be done in the communities picked by the President of the United States.

Mr. JENNINGS. The same communities that are now getting other surplus?

The CHAIRMAN. Yes.

Mr. HUGHES. I will ask Mr. Davis to comment.

Mr. DAVIS. Just to make sure that we all understand by this legislation there would be no change in the permissive feature of this section 416, section 416, as it is now written, is not mandatory on the Department of Agriculture to make any commodity available for donation. However, I am quite sure, as all of you gentlemen are, that the Department would be very much cognizant of the legislative history of any amendment that might be made to this legislation.

Further, in this particular section, there is no restriction on any particular section of the country nor is there any necessity for any Presidential declaration. I might add from the standpoint of our experience on the actual operation of this distribution program that it would be very, very difficult to make donations in the southern part of Illinois to hungry miners of flour and cornmeal and deny that same flour and cornmeal to unemployed persons in the northern part of the State that happen to live outside an area that had been declared in distress, so that the section 416, with which we are dealing on this reprocessing word, would be the most feasible section under which to make any distribution.

Mr. HOPE. On this particular problem you are talking about, how does that affect your butter distribution? If you go into southern Illinois and distribute butter, do you have to go into northern Illinois?

Mr. DAVIS. Under this section 416, those commodities which we are now making available, which include butter, cheese, dried milk, dried beans, rice, and shortening, we make those available to a State agency with whom we have an agreement.

That agreement calls merely for the fact that the State agency will make distribution anywhere in that State that they find persons in need and the State is willing to undertake the distribution, so we are making that without any regard to a designation of distressed area.

As a matter of fact, to our best knowledge, the President has not declared any area distressed within the terms of this legislation, the other section that we were discussing.

Mr. HOPE. What is the reason you feel that you should not, if you had the authority, use the same policy with respect to the distribution of wheat or corn?

Mr. DAVIS. As Mr. Hughes stated a few minutes ago, our four reasons for not making the wheat and corn available under this section in the past, I would imagine that the same reasons would hold true for flour and corn.

Mr. HOPE. Do those same reasons hold true as far as butter is concerned?

Mr. DAVIS. No, sir.

Mr. HOPE. In what respect do they differ?

Mr. DAVIS. As Mr. Hughes has pointed out, the Department has felt that the more perishable commodities there is more justification for their donation and distribution domestically than for wheat and corn or flour and cornmeal.

That is based in part on the facts, I think, that are brought out in many surveys of buying habits that these people, even though they have some income from some source, would not buy butter, but the last thing that they might quit buying is the cereal products, because of their relative cost and the normal buying habits. That is the reasoning behind the one point that Mr. Hughes made.

Mr. HOPE. That is the only difference, is it not? It is the only 1 of the 4 points that would have any validity, is it not?

Mr. DAVIS. The storability of the wheat and corn, as against butter and cheese, and some of the other commodities.

Mr. HOPE. There are two points then.

Mr. DAVIS. Yes, sir.

Mr. HOPE. Those would be the only two differences, would they not? Do you agree with that, Mr. Hughes?

Mr. HUGHES. Yes.

The CHAIRMAN. Let me ask one question. Then I will recognize you, Mr. Gray.

Are you familiar with the cotton mattress program that we had back in the days of the depression?

Mr. DAVIS. Yes, sir.

The CHAIRMAN. When we gave away bales and bales of cotton that were made available to people on relief. They came in and we felt that they should own mattresses, and they were thereafter sleeping on cotton instead of straw and leaves.

Do you think that disturbed the normal trade channels of cotton? Not any at all, because these poor people would still be sleeping on straw if we had not given them the cotton. You said we are not going to give them bread because they are going to buy bread. How are they going to buy bread if they have not the money? I think you ought to do a little more thinking about that disturbing normal trade channels, myself.

Mr. HOPE. Of course, it seems to me that is a matter of interpretation as to just how much you can disturb normal trade channels, but let us assume the situation where you have an area where most people are on relief and they are getting bread through the relief agency. Do you consider that to mean getting it through the normal channels of trade?

Mr. DAVIS. There are many different groups that the States have declared needy in connection with this program. They have included most of the categorical public assistance families—old-age assistance, aid to dependent children, as well as those getting some sort of general relief.

Many of these people, of these 3,388,000, that 1 of the gentlemen quoted, are receiving some income in 1 form or another rather than perhaps food in kind, as may be the case in some places in West Virginia and other States.

Mr. HOPE. You mean by that, then, that you think in some cases distribution through the agency you are using would not be a disturbance of the normal channels, but in other occasions, such as those who are receiving old-age assistance that it might, is that it?

Mr. DAVIS. Yes.

Mr. HOPE. What are the percentages there between the two groups that you are classifying?

Mr. DAVIS. I believe that we have them only broken down in two ways. Those who are receiving some form of public assistance and those who are not. About 25 percent are receiving some form of public assistance. That does not mean that the 75 percent are not working 1 or 2 days a week or have some other cash income. It merely means that they are not getting public assistance. That is the only way we have our figures broken down.

Mr. HOPE. Then you do not know. The answer is that you do not know what is the difference.

Mr. HUGHES. We do not know that, Congressman Hope, but we do know that it would result in transferring a relief load from the States to Commodity Credit, and as far as the losses to Commodity Credit are concerned, it would show up as a price support charge, which is one of the things that we want to avoid.

We hate to see a lot of relief costs charged to Commodity Credit and charged to the foreign program.

The CHAIRMAN. I think every member of this committee, as Mr. Hope has indicated, that we do that proclamation. But it seems to me that it is a right bad policy for us to provide food, as Mr. Stassen has done, and you are fully aware of that, and as Congress itself has done to Pakistan, and other places, and India, and other places, and yet deny to an American citizen the same sort of aid that we have given to foreign people. That is bad policy, it seems to me. It is a question of bookkeeping. We have that battle to fight, and the best friends that the Commodity Credit Corporation have in Congress are members of this committee. You know that. Everyone of us are friendly to Commodity Credit. Everyone of us are trying to protect the integrity of Commodity Credit. We want the books to reflect the accurate information and the correct figures.

We are faced with a situation where we have thousands of hungry Americans. I think, internationally, it is a bad policy. Suppose it goes out beyond the Iron Curtain that we have thousands and tens of thousands of idle people and hungry and our warehouses are full of food, and you people have sat here today and refuse to let them have it.

I think we ought to take another look at the situation, and if it is a question of bookkeeping keep the books right and come up here and say this is charity.

Mr. HUGHES. We have no objections to making these products available, if some other agency wants to reimburse Commodity Credit for them.

The CHAIRMAN. You are getting technical now. We take that school lunch money right out of section 32. That was never intended. We intended to protect section 32 to use it in the exportation of the surplus agricultural commodity. That was its original purpose, and that money has been used for every purpose under the sun, almost.

Mr. PULVERMACHER. If I may, this line with the foreign distribution of that program administered by FOA does provide that we can process, and I might mention that we do on the CCC books keep a separate accounting based on full investment.

The CHAIRMAN. Therefore, aid does not mean CCC, does it?

Mr. PULVERMACHER. No, sir, but they have the Presidential direction on the program.

The CHAIRMAN. I know. If FOA, if you can accomplish foreign relief with FOA, we can do a little something for our own people through CCC.

Mr. GRAY. Mr. Chairman, in the interest of saving time, I will withdraw my question.

Mr. JENNINGS. If this bill is enacted will commodity credit carry out the spirit of it and see that the people get the flour and the meal?

Mr. HUGHES. We will always carry out the spirit and intent of laws of Congress.

The CHAIRMAN. I would like to conclude this hearing this morning. We have consumed more time than I thought we would consume. Is there any other person in the committee room who desires to make any statement about this bill in one way or another? If so, we would like to give them the opportunity now.

We are going into executive session in a minute to consider a matter of grave importance which is going to be presented by Mr. Hope. I hope the members will stay here until Mr. Hope has a chance to present it.

What is it, Mr. Baker?

STATEMENT OF JOHN A. BAKER, NATIONAL FARMERS UNION

Mr. BAKER. I would like to go on record as being in favor of this bill and request of the committee an opportunity to file a statement.

The CHAIRMAN. Without objection, it is so ordered.

Mr. GATHINGS. For the purpose of the record, would you list the commodities that are now being made available to the needy people?

Mr. DAVIS. They are the dairy products, nonfat dried milk, solids, cheese, butter, dried beans, rice, shortening, and on occasion, if the market conditions warrant, a section 32 purchase program, those commodities are distributed also to these people.

Mr. GATHINGS. Thank you.

The CHAIRMAN. Thank you, very much.

The committee will now go into executive session.

(Thereupon, at 12:15 p. m., the committee proceeded into executive session.)

PROCESSING AND DISTRIBUTION OF DONATED FOOD COMMODITIES

MONDAY, MAY 2, 1955

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to call, at 10 a. m., Hon. Harold D. Cooley (chairman of the committee) presiding.

The CHAIRMAN. The committee will please be in order.

The Chair recognizes Mr. Poage of Texas.

In the absence of the regular reporter, Mrs. Downey, clerk to the House Committee on Agriculture, made the following notes:

STATEMENT OF HON. TRUE D. MORSE, UNDER SECRETARY OF AGRICULTURE, ACCOMPANIED BY ROBERT L. FARRINGTON, GENERAL COUNSEL

MR. POAGE. Mr. Morse, our committee is considering H. R. 2851, and similar bills, to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts. The Domestic Marketing Subcommittee and the full committee have held lengthy hearings on the bill. On last Thursday, April 28, 1955, Mr. Earl Hughes, Administrator, Commodity Stabilization Service, appeared before the committee and was accompanied by other representatives of the Department. Mr. Hughes heard the testimony of many witnesses, authors of the legislation. I asked him if the failure to make this grain available to these agencies was due to the language in the law which indicates that the President must find that such use will not displace nor interfere with normal marketing of agricultural commodities and if that were the main roadblock in the way of distributing this food. Mr. Hughes stated that this was one of the things they had been guided by. He also stated that another factor was that they must find that the food would be wasted or would deteriorate if not given away and that they had limited distribution primarily to the commodities that are perishable, and the commodities to be given away under H. R. 2851 were storable commodities and by the rotation provision they had instituted, the commodities were storable. He stated further that their responsibility was primarily one of administering the price support act and not administering the distribution of relief to needy people. We were informed further that the General Counsel of the Department of Agriculture had not interpreted the present law to include authority for taking of wheat and processing it into flour or corn into cornmeal.

I ask you, Mr. Morse, do you have at this time authority, or will the Department now say that you do or do not have authority under existing law to make cereals available in these distressed areas?

Mr. MORSE. May I request our General Counsel, Mr. Robert L. Farrington, to answer that question?

Mr. POAGE. Yes.

Mr. FARRINGTON. I believe that they do have, under section 301, Public Law 480 (83d Cong., 2d sess.), upon a proper finding by the President.

Mr. POAGE. Did the Department or did it not make a decision as to whether or not they should or should not make these cereals available to people in these distressed areas?

Mr. MORSE. We did make such a decision. We have not been distributing wheat for flour or corn for cornmeal to the distressed areas. The distributions we have been making have been in the interest of surplus disposals, and where there would be beneficial effects insofar as diets were concerned, and out of the commodities distributed in the processing of wheat into flour or corn into cornmeal, the matter of increasing use would be quite small. These are storable commodities and we thought they would not come within our authority.

Mr. POAGE. You thought you had the proper authority but under the circumstances you did not think you should exercise that power or authority?

Mr. MORSE. Yes. We thought that on this bill, H. R. 2851, this was getting into an area of relief responsibility, which we did not feel was a responsibility of the Department of Agriculture as such, and that Congress in giving the additional authority, which we requested last year, included the authority to reprocess but not to process. We thought Congress had carefully considered the authority they gave last year. The only basis on which we are proceeding with the distribution of butter, cheese, dry milk, and commodities not normally used completely by families on relief or needing help, is that these are items which they would normally not be buying in sufficient quantities if they are short of purchasing power, and further, in connection with such distribution we have taken all reasonable steps to see that this use was over and above the foods they would already have available, so that increased consumption would be improving their diets. When you get into the categories in H. R. 2851 we found it would merely be transferring the distribution of these commodities from the grocery stores into the Department of Agriculture, and there would not be an increase in consumption in a noticeable amount, and we would be moving directly into the normal channels of trade. Another differential is that corn and wheat are storable as long as we rotate the stocks as we are doing and the other commodities are perishable commodities.

The CHAIRMAN. Are you taking the position that unless we act, the program is going on as it has been going on?

Mr. MORSE. Yes; that is our judgment now.

The CHAIRMAN. Before you would make any change, it is necessary that we act?

Mr. MORSE. That is correct. We are making very extensive distribution of foods to needy people in this country, perishable items,

and those to which I referred. That distribution will total some \$94 million worth of commodities, and on our April 12 press release you will see the extent to which we are making foods available here in this country for needy people, institutions, and schools. I understand that this new bill (H. R. 2851) proposes to approach this as a relief bill, and I assume that you would call the appropriate departments to counsel with you in reference to it.

Mr. POAGE. That there may be no misunderstanding—if I am incorrect please check me—as I understand you, we have agreed that the Department of Agriculture does have power under existing law to make wheat available to distressed people?

Mr. MORSE. Upon the necessary finding by the President. The Department has felt that it was not a proper course to pursue to make this wheat available under the circumstances, and this decision was a considered decision.

Mr. POAGE. That decision was a considered decision of the Department and not the snap judgment of any individual?

Mr. MORSE. That is right.

Mr. POAGE. And the Board of the Commodity Credit Corporation considered the matter and sustained that decision?

Mr. MORSE. I believe we did consider the matter before the Board.

Mr. POAGE. Further, in answer to Mr. Cooley's question, I understood you to say that if the law is left as it is, the decision of the Department will remain as it is? You will not change your position.

Mr. MORSE. If the President makes a finding in keeping with the law, of course, we will proceed.

Mr. POAGE. If circumstances change, you will change your position? If the law is left as it is and the findings are left as they are, the Department would not be disposed to make any change?

Mr. MORSE. We would feel that is proper procedure under the law.

Mr. POAGE. If it is the feeling of Congress that there should be a change made, you think Congress should pass some legislation expressing itself?

Mr. MORSE. That is our feeling. We would feel that it should be fully considered and spelled out in the law. We think we should keep it in the relief field.

Mr. BASS. According to the law passed last year, giving you authority to distribute these two commodities, it would be necessary for you to have a Presidential directive?

Mr. MORSE. Not a directive, but a finding of certain distress conditions in a particular area, and the change in the law that we were anxious to get was in connection with these perishable commodities for surplus disposal, where we could reprocess and repackage these and pay transportation, so as to make them readily available.

Mr. BASS. Has your Department, or to your knowledge has the President, been advised that these people are hungry and need bread and that this distressing situation exists?

Mr. MORSE. I don't know to what extent the President has this information. I know that he is concerned about these unemployment spots.

Mr. BASS. Have you discussed it with him?

Mr. MORSE. Not directly, but I know that he is concerned about these unemployment areas.

Mr. BASS. Has the President been given the information about these people and has he ignored it, or has he been kept from getting the information about these people?

Mr. MORSE. We know that he has had the information about the extent to which the surplus foods are being distributed to people in this country. There are some 13,700,000 people in this country who are now receiving benefit by the donation of these surplus commodities at this time.

The CHAIRMAN. Does that number include those in charitable institutions?

Mr. MORSE. Yes, institutions, school lunch and needy people. Some 3,300,000 needy people are included in that total. We had this information in the press release dated April 12, 1955.

Mr. HOPE. Let me ask you, Mr. Morse, in the event we were to pass the Jennings bill or a similar bill now pending before the committee, would that mean we would be making wheat and corn in processed form available to the in excess of 13 million people? Would all of these 13 million be eligible to receive wheat and corn in the processed form, if we pass the Jennings bill or the typewritten copy of the draft of a bill, which you have before you now?

Mr. MORSE. If we understand this bill the distribution would not be confined to people who are unemployed and suffering from distress. If you went into an area certified as a distress area anybody could be designated as needy in that area would be eligible.

The CHAIRMAN. You would still have to find that the distribution did not interfere with normal trade channels?

Mr. MORSE. Yes, but we would be unable to do that because they are getting their wheat flour and cornmeal now, we assume, with relief funds or whatever funds they have, out of the grocery stores.

The CHAIRMAN. We should certainly see that those people are receiving the "staff of life," bread. If you have it written out that in a certain city or village they have no money to buy the food with at all and the proper finding would have to be made, it isn't going to interfere with normal channels of trade. Then you would make it available.

Mr. MORSE. Would you have in mind they would have to show they are not now getting bread and haven't money with which to buy bread?

The CHAIRMAN. You would have to find that they are needy people.

Mr. HOPE. What I started to develop a moment ago is whether you will distribute the commodities in the legislation we are considering, wheat flour and cornmeal, according to the intention of this legislation, and distribute the nonperishable commodities in exactly the same way, to the same number of people, as we are now distributing perishable commodities. If that is the intention of the Department I think we should know it.

The CHAIRMAN. If I understand it the intention does not go that far. If we pass this legislation the relief agency would have to make an appropriate finding that the individual receiving the wheat was in need, and further make a finding that to give that needy person the wheat would not disturb normal channels of trade. Is that correct, Mr. Jennings?

Mr. JENNINGS. I don't know about the normal channels of trade but there would have to be a finding that the people were in need.

The CHAIRMAN. Even in our foreign relief program you have to make a finding to the effect that it is over and above the normal uses. If a man is getting one basket we would give him an extra basket.

Mr. MORSE. I would think that in connection with the bread grains, flour and cornmeal, it would be hard to show that you were not disturbing the normal channels of trade.

The CHAIRMAN. Why would it?

Mr. MORSE. Wheat is not a high relief diet according to nutritionists. It is essential, important, and needed, but these other items these families would not be buying in the amount that we supply them. In other words, they will buy first their flour and cornmeal and items of that kind.

The CHAIRMAN. You don't seem to understand the proposition we are trying to deal with. Suppose you have a man who is on social security, and he has run out of money with which to buy.

Mr. MORSE. What is he eating now?

The CHAIRMAN. He is on charity.

Mr. MORSE. If he is on charity he will get money with which to buy at the grocery store.

The CHAIRMAN. Suppose he isn't getting a sufficient amount of money to buy all of the wheat flour and cornmeal he needs. In some States some of these old people are getting \$6 or \$8 a month. That isn't sufficient to keep them in basic foods.

Mr. MORSE. That gets into difficulties. It is difficult to handle relief effectively, and we feel it is getting Agriculture into a type program we are not set up to handle.

Mr. HOPE. I understand that in the State of Pennsylvania if you are in a relief category, if you have a family which is large enough, you may earn up to \$300 a month, but such family would still be entitled to receive these commodities, the perishable commodities. The State laws are different. I don't know any other State where you can go as far as you can in the State of Pennsylvania. I think there is quite a clear distinction between the two types of commodities. There are two distinctions here. One is made in the law and is made because we are trying to dispose of these perishable commodities before they spoil. We do not want any of these commodities in the hands of the Government to spoil. We want to get them into the hands of hungry people. So we have been pretty broad in the distribution of these commodities to the more than 13 million people. We have an entirely different situation in the case of storable commodities because we are not under pressure to get these commodities out of the hands of the Government and into the hands of the people, because they are not going to spoil. We are not suffering losses on many because you can store these commodities. It seems to me that we have done the right thing in recognizing this distinction so far as the law is concerned. I am not adverse to putting the surpluses into the hands of hungry people, where this exists and they are not able to secure storable commodities which are necessary, but I don't believe that we want to open the gates and give them to 13 million people scattered throughout the country, because in doing that we will be interfering with normal distribution in the channels of trade, and would seriously interfere with the price-support program.

Mr. POAGE. Isn't about one-half of that 13 million people those who are involved in the school lunches?

Mr. MORSE. When certain commodities are made available to schools, the buying at the grocery stores stops.

The CHAIRMAN. If we made these commodities available to 13 million people, certainly it would disturb normal channels of trade. We never had the idea that these commodities would be made available to all charities which now receive perishable commodities. It would make food available to people on relief in the areas designated by the President, and make wheat available as we did in Poland and Czechoslovakia and elsewhere. You would not have objection to that, would you, Mr. Morse?

Mr. MORSE. We want the relief program to go to those responsible for relief programs. I think it should be pretty carefully spelled out in the law or otherwise you face the problems that there will be many needy people, and unless the law specifies that only certain of those needy people will get these commodities, you open a pretty wide category.

The CHAIRMAN. Section 2 of the amendment to H. R. 2851 which has been proposed, and which I am sure you have not had an opportunity to study, provides:

SEC. 2. Upon certification to the Secretary of Health, Education, and Welfare (hereinafter referred to as the Secretary) by the Secretary of Labor that any area in the United States has a substantial surplus of labor (according to standards established by the Secretary of Labor under Defense Manpower Policy numbered 4 (18 F. R. 6995), or any similar rule, regulation, order or policy), or upon determination by the President that any area has suffered a major disaster warranting assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1885), and upon certification to the Secretary by the Governor of the State in which such area is located that there is acute distress in such area because of conditions prevailing therein, the Secretary is hereby directed to make available to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary for distribution to families and persons determined to be in need in such area, agricultural commodities and the products thereof acquired by the Commodity Credit Corporation through price support operations in such quantity as the Secretary determines can be effectively distributed and utilized and to requisition from the said Corporation such quantities of such commodities as the Secretary determines to be required for such distribution.

It seems to me that with all of those findings you are not going to disturb any trade channels.

Mr. BELCHER. There is no restriction in here that there should be a finding by anybody that it doesn't interfere with normal trade channels.

The CHAIRMAN. That is already in the law.

Mr. HOPE. I would like to ask Mr. Farrington, General Counsel of the Department of Agriculture, what interpretation he places on the language with respect to the extent of distribution.

Mr. FARRINGTON. Mr. Hope, having read this a couple of times, I agree with Mr. Belcher that this provision about normal trade channels is not a part of section 2. It would be whatever is determined to be the factors of need. This says areas in need—

upon determination by the President that any area has suffered a major disaster warranting assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), and upon certification to the Secretary by the Governor of the State in which such area is located that there is acute distress in such area because of conditions prevailing therein.

That might or might not include displacement of normal markets.

Mr. HOPE. Will this authorize as broad a distribution as is now taking place in connection with perishable commodities?

Mr. FARRINGTON. I would think so, depending upon what the particular agency used in determining certification.

Mr. HOPE. It would be entirely possible, and would be a broad distribution of storable commodities as is now being made of perishable commodities under the law?

Mr. FARRINGTON. I would think so.

The CHAIRMAN. This bill is directed at areas in acute distress, emergencies. You would not have to make a finding to the effect that a particular area is in acute distress, but upon certification to the Secretary of Health, Education, and Welfare by the Secretary of Labor that any area in the United States has a substantial surplus of labor. That is in there as well as acute distress situations.

Mr. BELCHER. You don't have to find a surplus of labor if you find acute distress.

The CHAIRMAN. He doesn't have to make all of these findings.

Mr. BELCHER. You did go two ways, surplus of labor or acute distress that the President finds, that might have been brought about by a flood or tornado?

The CHAIRMAN. He does not have to make those findings to get rid of the surplus commodities in the program now in operation. It seems to me that this bill is so drawn that you would certainly have in it every safeguard that would be desirable. I do not think that anything in this bill would indicate that Congress would expect you to interfere with normal trade channels at all. It may be, as Mr. Belcher says, that this proposed amendment which we have here does not require a finding.

Mr. MORSE. You see, you get into situations, such as has been pointed out, where some of the State approaches to relief are varied. Some are much more liberal than others, as someone pointed out here. Families get almost \$300 a month and can still be eligible for relief.

The CHAIRMAN. I do not feel that that will be the case with this bill, because these findings will be made by Federal officials.

Mr. POAGE. May I point out that it either has to be a finding by the Secretary of Labor, which is at present the established procedure which is well recognized, or it must be a determination by the President. There is nothing new in having the finding by the Secretary of Labor. There is nothing new there. That is in the present law. That is a well-understood procedure. Either you get this presently provided finding by the Secretary of Labor which you all understand, or there must be a determination by the President that any area has suffered a major disaster warranting assistance of the Federal Government under Public Law 875. That is a well-established procedure. That relates to such things as tornadoes, floods, fires, that kind of disaster.

When you get either the finding by the Secretary of Labor or the finding by the President, then, in addition to that you still do not get the Secretary of Health, Education, and Welfare doing anything, because it is required in addition—

and upon certification to the Secretary by the governor of the State * * *.

Mr. BELCHER. You are right. The governor of each State will have a different set of standards that he would use to make the certification, which is just what Mr. Hope said.

Mr. POAGE. Except that the governor of the State does not get any help unless the Federal Government, through either the Department of Labor procedure, which is a well-established procedure, or through the equally well-established procedure of the President's declaration, declares that this is, in fact, an area of that kind.

If you have a governor who does not believe in help, you still would not get help, because, even after the Secretary of Labor and after the President, one or the other, has made the finding, then in addition, not conjunctive, but in addition, the governor must ask for this and must certify as to the need.

The CHAIRMAN. In other words, you have it certified by the governor and by the President or by the Secretary of Labor, on to the Secretary of Agriculture, who has to approve it?

Mr. BELCHER. The Secretary of Agriculture has no discretion. He is directed.

Mr. POAGE. The Secretary of Agriculture has this discretion, as relates to these commodities that we have had under discussion in the cereal range. He has none as far as the perishable commodities, that is right.

As to the cereals and products made from cereals, the bill says in section 3:

With respect to all other commodities, including cereals, made available pursuant to section 2, the Commodity Credit Corporation shall be reimbursed by the Secretary of Health, Education, and Welfare.

and so on. There he gets complete reimbursement. So it is not up to the Secretary of Agriculture to make a decision there, because he gets complete reimbursement, and the question of the use is up to the Secretary of Labor, but in the other commodities, he has to comply with section 416 of the Agricultural Adjustment Act of 1949, and that contains a provision that the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditure for food by reason of such donation.

So again it comes back to the proposition that you have the requirement that there must in effect be a finding that it is not going to reduce the normal consumption.

Mr. McINTIRE. Will the gentleman yield?

Mr. POAGE. Yes.

Mr. McINTIRE. In reference to the first part of section II relative to the certification to the Secretary of Health, Education, and Welfare by the Secretary of Labor, under the defense manpower policy No. 4, it is my thought that we are dealing here with situations where there is an acute need for the relief, and does that specifically refer to relief or does that specifically refer to a surplus of labor and bring in the relationship of defense contracts?

While one may lead to the other, in relation to the relief problem, just a finding of the Secretary of Labor that there is a surplus of labor, might be necessary in order to direct the defense contracts to industry within that area, does not necessarily indicate, and it does not necessarily follow, that you have reached an acute relief problem.

The CHAIRMAN. That is one of the factors to be considered by the Governor.

Mr. McINTIRE. It in itself could be a controlling factor, under this legislation, could it not?

Mr. POAGE. It could. It cannot, however, without the Governor's certification, be a controlling factor; nor can it without the finding by the Secretary of Agriculture that this will not diminish the normal buying power.

Mr. BELCHER. Will the gentleman yield?

Mr. POAGE. Yes.

Mr. BELCHER. My understanding is that the State of Maine could qualify for relief under this program at the present time.

Mr. McINTIRE. There are a number of areas where you have had some dislocation of industry and where you do have some surplus of manpower. It is my thought in reading this, as you pointed out, Mr. Poage, that there are two primary conditions here.

Mr. POAGE. Either one letting the Governor make the request.

Mr. McINTIRE. Either one letting the Governor initiate the request. Are we assuming that the defense manpower policy No. 4 is just as controlling as the declaration of the President in relation to an acute disaster situation?

It is my thought that they are not quite parallel in their significance.

Mr. POAGE. I recognize that they are not of equal significance, but clearly the bill does allow the Governor to make a request when either of those conditions exists.

The way this is written I do not think there is any doubt about that. I think there is doubt about what that manpower provision No. 4 has in it. I do not have it before me, but, as I recall, it says that surplus of labor is so great that it has created a loss of buying power and an economic condition that requires some kind of action.

Mr. McINTIRE. I might say that, in considering this legislation in executive session, Mr. Chairman, we can explore that provision.

The CHAIRMAN. We certainly will do that.

I would like to call attention to this sentence: After talking about the labor situation, the surplus of labor, the same section provides:

or upon determination by the President that any area has suffered a major disaster warranting assistance by the Federal Government * * *

and it seems to me that this is well drafted, and every safeguard possible seems to have been provided by the man who drafted this.

Mr. Secretary, we make grains available to feed cattle in certain areas?

Mr. MORSE. That was a surplus-disposal operation.

The CHAIRMAN. The cattle were in distress and the farmers did not have money. I know my people down home were persistent about it. I think you came through down there with a few earloads of grain.

The thing which is disturbing me is that we could make this grain available all around the world to needy people and needy animals, and it does seem to me that we should not trip over some technicality here. We should consider the broad proposition: Are we going to make it available to these needy miners in West Virginia, Virginia, and Pennsylvania, or are we going to give relief in the disaster areas?

I had a disaster in my home county where the crops were destroyed by hail. There was no way on earth to get this food for our people.

We did all we could and we had to go to the country in trucks and beg it from the merchants and people in the city, and from other farmers who were not hit by the hailstorm.

We set up a warehouse in the schoolhouse and provided this food. We could not get one bushel of this wheat. We could not get anything down there to help.

I do not want that situation to happen again. It has happened once on the north and once on the south side of my town.

Mr. MORSE. Mr. Chairman, as a relief measure, I wonder why not go directly to the relief problem and, in this first item here: "pay processing, reprocessing, packaging, transporting," those are all functions of trade. It refers to cereal products.

Does that mean oats and barley, and where does the packaging stop? Is it bread packaged or does it stop with flour and cornmeal?

It would seem to me that it would be a clear-cut approach.

Again, I am not in the relief business but, if you could go directly to relieving the distress, to whatever appropriate relief measures, and let the normal trade take care of supplying whatever commodity the relief people made available, it would seem a direct approach.

The CHAIRMAN. I do not think that any of the authors contemplated providing oatmeal or Post Toasties, but we have had testimony here that, if you send a carload or 10 carloads of wheat into the mining areas of West Virginia, the people would take care of the processing, that the millers would do it free of charge. Yet they still do not have it.

We could find a thousand reasons technically why we should not put roadblocks in the way. I think it would be more helpful if you and that brilliant General Counsel of yours would help us to get this language in the way which we want it, which will get some food to these people.

Mr. MORRIS. You are bringing in some other departments of Government who are experienced in relief matters, I assume, and I am sure that their testimony would be more valuable than ours in attacking these problems.

The CHAIRMAN. All right.

Mr. HOPE. Mr. Chairman, it seems to me that the first thing we have to decide here in the committee is what do we want to do? I do not think that we have decided what we want to do.

Unless we do that, I do not think we are in a very good position to draft language to do it.

If I get the consensus of opinion there, there is pretty general agreement that, if we have situations like they say we have in West Virginia, where there are people who actually need flour and bread and cannot get it, we want to take care of those situations.

On the other hand we all know that if people have money to buy food at all they are going to buy the cereal products, because those are the things in which they get the most for their money when they buy food.

I cannot conceive of any very large distribution of cereals in this country that will not interfere with the normal channels of trade.

I think that we have to be careful here in making a decision as to what we want to do, and, after we decide what we want to do then we have to be very careful in seeing that we get the exact language to do what we want to do. This language may do it. I am not saying that it will or will not.

Mr. Farrington has just said that in his opinion, based on the time he has had to look it over, the language before us would authorize the

same distribution of storable commodities as of the perishable commodities which are going to more than 13 million people.

The CHAIRMAN. How can you possibly justify that, Mr. Farrington, because those commodities contemplated by this provision will go into acute distressed areas. Now, you do not have to make that finding when you get rid of butter and cheese and other things. All you do is pass it out.

Now you have to make all these findings, and, if you found, or if the appropriate agency of the Government made a finding to the effect that it would interfere with normal trade channels you could never make it available.

Mr. FARRINGTON. Mr. Chairman, maybe the legislative history would take care of my point. You appreciate that I have not had much time. These first 2 or 3 certifications relate to the areas in which the relief is to be given, whereas, when you get to who gets the relief, the only provision is "persons determined to be in need in such area * * *"

It could be broader than "people in acute distress," but the bill does not say.

The CHAIRMAN. You mean at the bottom of page 1:

hereby directed to make available to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary—

that is, the Secretary of Health, Education, and Welfare—

for distribution to families and persons determined to be in need in such area, agricultural commodities and the products thereof * * *

now, it says:

persons determined to be in need in such area * * *

you can only give it to persons in need. Some will say that you have to certify that they are in need, and you will have to leave that to the State or county level.

Mr. HOPE. Mr. Chairman, the history of all these things is that the minute you start distribution in that way, that is, every time you give it to one person, his neighbor thinks that he is entitled to it. We have seen this thing before, and everyone who has been in the drought-feed program has seen how this has developed.

I think that if we leave in there language as loose as this that we will probably not only be feeding or distributing commodities to 13 million people, but that it will be more than that before we finish, because every neighbor of a recipient is going to insist that he is entitled to it. In fact, judging by the drought-feed program, human nature being what it is, you cannot expect anything else.

The CHAIRMAN. Human nature must be different in different parts of the country, because in my part of the country human nature is that people abhor the idea of going on relief, of accepting anything from the Government, and only when they are in great distress will they ever accept anything from the Government.

Mr. POAGE. May I answer that? The gentleman from Kansas says that everybody in the area can get this and that it will greatly increase the number of people seeking this food. I say we have exactly that kind of program right now. This is the same criterion under which we are working today as to the perishable commodities.

Now, the only thing this bill does is to try to relieve the Department of Agriculture of the details of distribution for charity and place that responsibility in an agency that we think more properly fitted to be a charitable agency than the Department of Agriculture; but you have the authority and are now using the authority to give perishable commodities, including all kinds of dairy products, on just the same criteria as we have here today, with no more restrictions on you than are placed by this bill on the Secretary of Health, Education, and Welfare. In fact, you do it with much less restriction. The only thing is that you are not giving cereals, because you have made the decision that you should not.

We are not here to criticize you about the decision, but you have made that decision and you are not giving cereals. We are saying here that we want cereals given under substantially the same circumstances that you are now giving perishables, but, to see that that is not abused and given to any and everybody, we say to the Secretary of Health, Education, and Welfare: "You have to pay for these things. They have to come from your appropriation, and the bill will be presented to you, Mrs. Hobby. It is not going to Mr. Benson."

I have known Mrs. Hobby for a great many years, and I do not think that she is going to pay for a lot of things for which she thinks there is no need. I do not think that she is going to let her record book look as if she was buying things from the Department of Agriculture to give away to any Tom, Dick, and Harry. I think that she will pay for those things needed for people who are in need, and the bill specifically says that she must do that where they are in these areas, and are in need. Beyond that, there is no obligation on anybody to do it.

If we would just let her requisition this grain from the Department of Agriculture with no reimbursement, I could see the validity of Mr. Hope's argument; but, when we are making her charge it to her appropriation, I think there is going to be a good deal of hesitancy about wasting it.

Mr. BELCHER. Would the gentleman yield?

Mr. POAGE. Certainly.

Mr. BELCHER. I guess I am confused. I understand that the Department of Agriculture is going to distribute this. If we have been arguing all the time whether the Commodity Credit Corporation should sell to Mrs. Hobby's Department for distribution, I am in favor of the Commodity Credit Corporation selling all the products we can sell.

Mr. POAGE. All that this amendment would do would be to have the Department of Agriculture sell at their acquisition cost or support price, whichever is lower, these materials; and we have taken the Department of Agriculture out of the charity end and we get them their money and they have made a sale.

I agree with you, Mr. Belcher, that they ought to be very happy to get rid of it because they are going to get the money for it.

Mr. BELCHER. I have never heard the Secretary asked whether or not he would be willing to sell at the current price the products in the Commodity Credit Corporation to Mrs. Hobby.

If you ask that question, I imagine the answer would be that the Department of Agriculture would like to sell those products.

Mr. POAGE. I will ask the Secretary.

Mr. BASS. He has not said so yet.

Mr. POAGE. Would you be willing to sell to the Department of Health, Education, and Welfare cereals and cereal products at acquisition cost?

Mr. MORSE. We would be very happy to do so within the law. The General Counsel is looking up the law here.

Mr. POAGE. Assuming that Congress gives you a law that would enable you to do it?

Mr. MORSE. And if they provide a price.

Mr. POAGE. You cannot do it under the existing law, but I think that, if Congress gives you the law, that enables you to do it; you would do it?

Mr. MORSE. The problem that catches us short is whether this price would be controlling.

Mr. POAGE. That does not catch you short if we give you the law,

Mr. MORSE. We would be happy to make products available.

Mr. HOPE. We should have Mrs. Hobby, or someone representing her Department here.

Mr. HAGEN. Mr. Chairman, would the gentleman from Texas yield?

Mr. HOEVEN. I think it should also be determined whether Mrs. Hobby is willing to buy everything that the Department of Agriculture wishes to sell. A contract after all is a mutual agreement between two parties.

The CHAIRMAN. I am not interested in Mrs. Hobby's attitude. I am interested in the attitude of this committee. We know the problem. I do not care what Mrs. Hobby thinks about it. I want this food made available to these hungry people. I think that we should do what we can as quickly as we can to make it available and, if there are not enough safeguards in this amendment, we should put them in. We put in the President, the Secretary of Labor, Mrs. Hobby. Who else could you put in?

Mr. HAGEN. Mr. Chairman, I want to ask the gentleman from Texas how many housewives he thinks would qualify as presently baking their own bread and how many of that percentage would start in baking if there were not an acute need?

Mr. POAGE. I do not think any of them would, without acute need, but I think under the circumstances a large percentage would do it.

Mr. HAGEN. That is a pretty good test of need: Would the housewife start baking again?

Mr. POAGE. If they do not have the need they will buy the bread, if they do have need, they will bake the bread.

The CHAIRMAN. Are there any further questions?

Mr. MORSE. Mr. Chairman, on this point that I referred to earlier, you might want to consider cornmeal, and how far the processing goes.

The CHAIRMAN. You do know that the housewife is not going into the baking business and not going into the processing of Post Toasties. All you would have to do is to turn it over to the relief agencies, and let the relief agencies determine whether it should be processed and packaged.

Mr. MORSE. One basic principle, which I think, Congressman Poage, bears on part of your discussion, is that with the perishable commodities which we have been providing to these relief agencies, we do everything we can to determine that these will be over an above whatever they may be receiving. In other words, we do not

pick up—we try to avoid picking up any relief loads that the State is carrying. This is over and above.

Now, if you get into this, I think you would want to look at that: Is the Federal Government proposing to take over what the State and community is carrying by way of relief?

Mr. POAGE. We did give consideration to that. If you will look at section 3 on page 2 you will find that we provide here, in regard to this type of commodity for which you get no compensation, that the Secretary of Agriculture is to make available commodities—

which the Secretary of Agriculture determines shall be available for donation under section 416 of the Agricultural Act of 1949, as amended.

That is the law under which you are operating at the present time. That is the criterion that you use at this moment to determine whether that is going to interfere or not, and we still provide that you do not turn them over to the Department of Health, Education, and Welfare unless you decide that they meet the same criteria that you are now applying to them.

Mr. MORSE. The point that I speak to there is one to which various members of the committee have referred repeatedly, and that is, that these families now are getting flour and cornmeal. If they are living at all, you can be sure that they are getting flour and cornmeal now, so that we will be displacing the flour and cornmeal that has been coming to them from some source.

Mr. POAGE. Now you have jumped to the reimbursable commodities, and on that you said a moment ago, and I think correctly, that you would be glad to sell the Department of Health, Education, and Welfare, wheat or corn out of your surplus stocks, when they pay for it.

Then the question arises as to what they do with it. That becomes the responsibility of the Congress and the Department of Health, Education, and Welfare. It seems to me that as to these cereals, you have made a bona fide, honest sale, and received your money back.

Then if the Congress and the other departments decide to make a disposition of them, it seems to me that you would not want to interfere with what is done with them after you have sold them.

Mr. MORSE. I quite agree with you that the responsibility should be placed elsewhere. I just wanted to make the distinction again between the cereals and these others.

Mr. POAGE. The bill clearly makes a distinction between them, and gets your money for the cereals.

The CHAIRMAN. Plus the processing, reprocessing, packaging, and handling.

Mr. LOVRE. Mr. Chairman, there is just one general question which I would like to ask. Perhaps I should direct it to the author.

Under the provisions of this bill, does it eliminate completely all State and local financial responsibility?

Mr. JENNINGS. Indeed it does not. They are charged with the distribution of all of this. This will add to their expense.

Mr. LOVRE. How could it do that?

Mr. JENNINGS. It will add something else to distribute. They are now distributing six commodities: Dried milk, cheese, butter, rice, shortening, and beans. This will add flour and meal.

Mr. LOVRE. Then the responsibility will consist only of delivery of these cereals and other products to the recipient. That is all.

Mr. JENNINGS. And the investigation to see that they are entitled to it.

Mr. LOVRE. But the responsibility of providing the substance to the people is completely eliminated, as far as the State is concerned?

Mr. JENNINGS. That part is correct, because they do not have the money, anyway.

Mr. LOVRE. If the State is able to shoulder this responsibility, that is completely eliminated.

Mr. JENNINGS. That is correct to an extent, but there is a reason for it. That is, that they are in destitute circumstances, too, because these people who were formerly paying taxes are not now paying taxes. So it is an additional charge to the State or community.

Mr. LOVRE. Whether or not the State can afford to take care of its own citizens, that is out of the window, insofar as this particular bill is concerned?

Mr. JENNINGS. To a certain extent that is right. This provides for the same process as those other six commodities. All in the world that it has done is added flour and cornmeal to these other commodities. The truth of the matter is that if they wanted to take out some of the cheese and a little of the dried milk and some of the shortening, the people would much rather receive some flour and meal.

I received a letter the other day saying that they liked cheese but they liked cheese between bread better than cheese between cheese.

That is, all it does is provide we can give these people now receiving those commodities some flour and meal. It will not displace to any great extent any of the present marketing channels, if it is used properly, because they do not have the money, and any little money they might have they still have to use to buy such things as clothing and also other foods. We are not providing for the salt and the pepper and other things that will go to make up these foods.

Mr. ANDRESEN. Do I understand that these people are not now getting bread?

Mr. JENNINGS. In some cases, they are not.

Mr. ANDRESEN. On what are they living?

Mr. JENNINGS. They are living on cheese and butter and shortening and dried milk and beans and rice.

Mr. ANDRESEN. In Virginia?

Mr. JENNINGS. In the Ninth District of Virginia, in the coal mine sections.

Mr. ANDRESEN. Have you had any county officials here as witnesses from your area where this exists?

Mr. JENNINGS. I have complete testimony from the surplus commodity distributors, and from each and every welfare officer in the 6 counties which are now receiving surplus commodities, and 68,000 people in 6 of my counties are now receiving those things which I refer to.

Mr. ANDRESEN. Has the local Red Cross got into this?

Mr. JENNINGS. In some cases we do not have a Red Cross, because these people cannot support it.

The CHAIRMAN. The Red Cross cannot go in there unless it is a major disaster.

Mr. ANDRESEN. If you have 68,000 people who are not getting bread it certainly is a major disaster.

Mr. JENNINGS. I think so too and I wish our President would recognize it.

Mr. ANDRESEN. What about your county officials? Have you had any of them here? Have you had officials in charge of relief testify as to the situation?

Mr. JENNINGS. I have letters from every single one of them. Every one of them has said that he would come here and bring some of those people to testify if it were necessary.

Mr. ANDRESEN. I think that we ought to have the welfare officials and the Red Cross officials, if you have any.

The CHAIRMAN. Thirteen Members of Congress came before this committee.

Mr. JENNINGS. Mr. Andresen, we had 13 Members of Congress here.

Mr. ANDRESEN. I have been a Member of Congress for a long time myself.

Mr. JENNINGS. Do you mistrust your colleagues in their statements of the need in their area?

Mr. ANDRESEN. I certainly trust my colleagues.

Mr. JENNINGS. Do you think it necessary to call a welfare worker to substantiate their testimony?

Mr. ANDRESEN. I certainly do.

The CHAIRMAN. Are there any further questions?

Mr. JENNINGS. I would like to say that if we cannot get these things, it seems to be that some of these other commodities could be just as well cut out and flour and meal substituted. Cheese and butter could be cut out a lot better than flour and meal.

The CHAIRMAN. Are there any other questions?

Mr. DIXON. Mr. Chairman, I am very much in sympathy with the principles and motives of this bill. I am just a little fearful that if we go too fast we might create more problems than we will settle. I make an appeal that we take a little time.

For instance, the counsel for the Department is not certain about the Department's legal view. He has not had time to study it.

The CHAIRMAN. It does not take Mr. Farrington long to study a problem.

Mr. DIXON. We might find a governor here who would stymie us, as was done in the last bill, where they claimed they had legal right.

The CHAIRMAN. They admit that they have the legal right. They have not been willing to embrace the policy.

Mr. DIXON. May I ask Mr. Farrington a question?

The CHAIRMAN. Yes, sir.

Mr. DIXON. Are you absolutely certain of your legal grounds with regard to all these questions?

Mr. FARRINGTON. No. I do not know what all the questions are, Mr. Congressman.

Mr. DIXON. How long have you had this in your hands?

Mr. FARRINGTON. I have had this bill for about an hour, I suppose.

Mr. DIXON. Is that a long enough time to be certain of your legal position?

Mr. FARRINGTON. I have reactions to it, sir. I cannot be absolutely certain, no.

Mr. DIXON. That, Mr. Chairman, is why I think that, if we took a little time, it would be better.

The CHAIRMAN. What do you mean by saying that you are not certain?

Mr. FARRINGTON. Looking again at section 2, the findings, as I have said before, they are alternate areas.

Suppose an area is determined to be one of a substantial surplus of labor? Then when you get to distribution, I see nothing in the bill which would limit the distribution to the particular cause for the acute situation.

In other words, all persons in need, it seems to me, would include everyone in the area.

Mr. POAGE. I believe, referred to the act, the provision in section 4 of which says that in case of certain distributions the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditure for food by reason of such determination. I understand that that will carry over and apply to the commodities that the Department of Agriculture would make available under section 2.

Mr. Farrington, do I understand that you are complaining—

Mr. FARRINGTON. I am not complaining.

Mr. POAGE. That you are objecting to the bill here on the grounds that perchance we find in an area a great many people in destitute circumstances because the coal mines are out of work, but there happens to be a family up there where the father fell off a cliff and killed himself, where six of the children are down with polio and the mother cannot find a job; and are you suggesting to us that this bill should be so drawn that she could not obtain any benefits because you fear that that is opening the door so wide that it would break the Government, or something of that kind? Is that the suggestion you are making?

Mr. FARRINGTON. I am not complaining at all. All I am saying is that "the need" is a broad general standard.

The CHAIRMAN. It is in the law now, "needy persons". It is a recognized term used through the years. The officials of the Government certify that the area is distressed and somebody else has to certify that the person is in distress.

Mr. POAGE. He wants to say that that person is distressed because of the reason that the whole area is distressed, and, if he is not distressed because of the coal mine unemployment, that person should not have anything. Is that the reason behind your discussion?

Mr. FARRINGTON. No. All I am trying to say is that standards for the determination of the need of the area are more rigid than for the determination of the need of the recipients of relief. It is not hard to find people in need anywhere in the country.

Mr. POAGE. As I understand, that was deliberately done, Mr. Farrington, because I do not want to say that we will give relief to the family in distress because the father cannot find a job but not give it to this family where the father was killed, because they would not fall under the reasons for declaring the area in distress. That family is in just as great need as the family of the man who is still living. I am not going to be a party to drawing a bill saying that you are going to give relief to the man who happened to be out of work but you will not give it to the family of the man who is dead.

Mr. BELCHER. Will the gentleman yield?

Mr. DIXON. I will be brief and then I will yield.

We have seen that counsel has not had sufficient time to satisfy himself.

The CHAIRMAN. He is satisfied.

Mr. DIXON. I am afraid that there are some Mother Hubbard words in the bill which cover everything.

The CHAIRMAN. Doctor, we have some of the most brilliant lawyers in the world right on this committee.

Mr. DIXON. I would like to say further, and then I will yield, that I would like to know whether or not the defense manpower policy would permit them to go on and distribute, regardless of the impact upon trade channels; also, whether the Department of Health, Education, and Welfare would make distributions, regardless upon the effect upon the marketing of our farmers' products?

I believe a little time in getting these folks together will be needed, and I do not want to delay because I like the principle.

However, I believe a little time might save us from the same difficulty which we are having with regard to this law we are trying to save.

Mr. JENNINGS. I might add that it might give the undertakers some more business, too. These people are undernourished.

Mr. DIXON. I yield.

Mr. BELCHER. The gentleman from Texas was saying that, because the father of one family was killed, and the other is out of a job, he is not going to discriminate, but in the State of Virginia, if you lived on one side of the street where the area is not critical, that father could be out of work and would not get a dime, but if he lived on the other side of the street and the State of Virginia had certified that as critical you could get it.

Mr. POAGE. I realize that you have to draw area lines somewhere. Is that not as far as we ought to go? You want to carry that drawing of area lines across the street and put in one house and leave one out.

Mr. BELCHER. You said you are not going to be a party to drawing a bill denying relief to one fellow and not the other. Yet that is what you have done in your bill.

The CHAIRMAN. We can talk about that in executive session.

Are there any questions?

Mr. MORSE. Because of the reference to the Department of Health, Education, and Welfare, I would hope that before accepting any statements that we may have made, that impinge on the areas of the Department's operation, that you might want to get their judgment in regard to the bill.

The CHAIRMAN. Thank you very much, Mr. Morse.

Are there any other questions?

We thank all of you for coming here.

The committee will recess for about 3 minutes, and then go into executive session.

(Whereupon, at 11:40 a. m., the committee recessed, to proceed to executive session.)

(The following statement was submitted for the record by James G. Patton, president, National Farmers Union:)

NATIONAL FARMERS' UNION,
Washington 5, D. C., May 2, 1955.

Hon. HAROLD COOLEY,

*Chairman House Committee on Agriculture,
House Office Building, Washington 25, D. C.*

DEAR HAROLD: We appreciate the courtesy of your committee in holding your hearing record open to receive this statement of our views. As Mr. John A. Baker stated to the committee on Thursday last, we support enactment of Con-

gressman Jennings's bill to make wheat flour and cornmeal available to unemployed and other needy people with such commodities to be purchased from CCC owned wheat and corn.

I have a deep personal conviction that the state of history has been reached when no one—not one single person—needs to be hungry or undernourished or to have a substandard diet. This conviction, I feel sure, is shared by the great bulk of the member families of Farmers Union.

This question of providing food for the hungry is a subject very close to my heart.

The age of nature-imposed scarcity is past. No longer is mankind doomed by nature to starvation for a part of its people every year. Particularly in the United States, the farm productive power is abundantly and efficiently available to easily provide a fully adequate diet every day for every person within our borders.

Let us examine what this great food-productive power means in human terms. It means that food is no longer a scarce good in the sense that not enough total supply can be provided to give everybody enough. To provide adequate diets for some does not require that others have inadequate diets. With respect to food, at least, our Nation particularly, and the whole world, if we but knew it, has not only left behind the age of scarcity, we have even passed through the age of plenty and are on the threshold of the age of abundance.

No human being, in his right mind, would think of depriving another human being of enough air to breathe. Nor are there many among us who would deprive a fellow human being of enough water to quench his thirst, whether he had any money to pay for it or not.

Of course, produced food has not reached the relative abundance of air; nor is its acquisition as inexpensive, thus far, as drinking water in most parts of the country. However, our era in our own country has seen food pass into this area of abundant goods, which as necessary to life as air and water, are sufficient and low enough in cost that none need go without.

In this potentially happy situation, there is every reason to adopt as a basic national premise that no one within our borders shall lack the food for good nutrition. The legal concept here is that we as a nation are now in a position to assert a new right in the Constitutional Bill of Rights—the right of each individual to enough of the right foods for adequate nutrition irrespective of whether the individual does or does not have the ability or opportunity to earn the purchasing power required to obtain enough of the right foods.

The central point here is that we as a nation have now progressed to the place where we safely can, and morally should, lay aside the John Smith principle of national life. No longer must our rule be "he who does not work shall not eat," as vital and useful as that principle was in an earlier stage of our history. Now we must learn to live with abundance. Our halting efforts in that direction seem to indicate that the process of learning to live with abundance is almost as painful psychologically for a few in the population as the attempt to live with scarcity was physically painful for many in the population.

The very fact that this committee has scheduled this hearing is specific evidence that the Nation is groping toward the adoption and acceptance of this human right of enough to eat. The concept is that society as a whole or the Nation operating through its Federal Government will stand ready to provide enough food for good nutrition to all those who do not have the opportunity to earn incomes sufficiently large to buy it.

Quite likely these ideas will seem shocking to some on first thought. However, our Government has long since accepted these ideas and acted on them in a limited way. The need of the present time is to act upon these familiar ideas in boldly large ways. In our public eleemosynary institutions we provide food through Government even to ill or disabled criminals who cannot work. The same is true of those unfortunates in our mental health institutions. Do not our aged, our involuntary unemployed, our disabled and our widowed mothers and dependent children have equally strong claims for adequate food as these other groups? Obviously the answer is "Yes" from a human justice standpoint as well as from the standpoint of internal national strength and well being and as a showcase to the rest of the world that the democratic competitive enterprise system can provide abundance and use it wisely.

It is now more than 15 years ago that a few timid experiments were made by the United States Department of Agriculture in the operation of the food-stamp plan. This activity had to be dropped owing to scarcities brought on by World War II. But the idea did not die. It has lived on in the food-allotment bills introduced in each new session of the Congress by the distinguished former chair-

man of the Senate Committee on Agriculture and Forestry. He has reintroduced the bill (S. 45) in this session and was joined in sponsorship by two other farsighted and humanitarian members of your committee: Senators Humphrey and Young. This Aiken-Humphrey-Young bill (S. 45) and its House companion (H. R. 4577, introduced by Congressman Metcalf) put into legislative language, the abundant-food concept suggested in the preceding paragraphs. The essence of the Metcalf food allotment bill is that any person within the boundaries of the United States can calculate 40 percent of his family income, however low it might be, take it down to the post office, or other designated place, and purchase from his Government enough stamps or coupons to enable him to buy an adequate diet for himself and his family at any grocery store. This bill (H. R. 4577), of course, is not the subject of your current hearing. However, the Jennings bill you are considering is not different in kind; it differs only in degree, size, boldness, and mechanics from the food-allotment bill. The underlying public philosophy in both is an expression of the humanitarian ideal in an era of abundance applied to food. There is every good reason why our Nation should right now boldly step forward and adopt the Metcalf food-allotment plan in total, without paring down its scope or operation. However, in approving the bill before you, you will be giving further national acceptance to the underlying concept of enough to eat for all.

Whereas the Metcalf food-allotment bill would, in effect, provide variable Government subsidies for food purchases for all low-income consumers, 40 percent of whose present income will not buy an adequate diet, the food-certificate bill, introduced by a number of Members of the House and by Senator Kerr and 22 other Senators, would make the Federal subsidies for food purchase available only to persons now on the rolls of public-assistance agencies and would only be applicable to foods declared to be in "surplus" supply by the Secretary of Agriculture. It should be pointed out and recognized that these are differences only in detail and scope. They do not differ in the basic public philosophy they express. Both would implement, by Government action, the new human right in the United States of enough to eat for all.

I feel sure a great majority of Farmers Union member families would prefer to see the Congress adopt the bill with the broader scope, but certainly we cannot oppose enactment of any good proposed legislation that would create better conditions than currently prevail.

The bill your committee has under specific consideration is of the same type and kind as the other two bills previously discussed. Again, the basic public philosophy involved is the idea of human right to enough food—a right to be implemented by the Federal Government if the individual does not have the opportunity to earn sufficient purchasing power to buy enough food. In the bill immediately before your committee, the scope of operations is narrower than that of the other two bills in that the consumption of only commodities owned by Commodity Credit Corporation would be subsidized by the Federal Government.

There is, of course, another important difference between the bill before you and the other two. The bill before you provides for storage, processing and distribution of food commodities and products by Federal Government agencies directly to local and State public distribution agencies and from them directly to the recipient consumers. The other two bills eliminate the need for governmental handling, processing, and storage of actual commodities leaving these functions to be performed in the usual course of business by the private food trade and industry.

Although these are differences in detail and scope, it is vitally important to keep in mind that the basic underlying idea is unchanged. It is the concept of a publicly insured right of everyone to enough to eat. This is the concept that underlaid the food-stamp plan of the 1930's. It is the concept that underlies the commodity-distribution programs of the Commodity Credit Corporation under the set-aside provision, title I of the Agricultural Act of 1954, of title III of the Agricultural Trade Development and Assistance Act and of preexisting legislation incorporated in section 416 of the Agricultural Act of 1949.

As a matter of fact, the bill before you is a relatively small improving change in existing legislation, that would be unnecessary but for the brutally myopic interpretation given by the administration to existing legislation.

Existing legislation authorizes the Commodity Credit Corporation to make its stocks available within the United States for relief in distress areas, charitable institutions, for distribution to the unemployed school lunches, in drought and other natural disaster areas, to needy Indians and to meet any disaster proclaimed by the President. Existing law authorizes the Federal Government to pay costs

of shipping such commodities from the place where now stored to a central location in each State but does not authorize payment of any processing costs. Certainly this is broad enough authority to provide flour and cornmeal to distressed unemployed. Yet the Eisenhower administration says "Let them eat cake" instead.

The bill before you would specifically state this authorization to cover costs of shipment of commodities to local warehouses and distributing agencies and, more important, to pay the cost of having the commodities now owned by CCC processed into consumer-size packages of consumer-type products. Both of these provisions are improvements over existing law as now administered by the Department. Both would expand application of the basic underlying principle of public philosophy—enough to eat for all. Enactment would be another small and timid, but significant, step into the world of today where we must learn to live with abundance.

We strongly and respectfully urge you to give full consideration to adoption now of the food-allotment plan. Short of the complete food allotment plan, we urge adoption of legislation along the lines of the food-certificate bill. Enactment of either of these bills would be a vast step forward by the Federal Government in the field of food policy on which it is already embarked. Doing so it would make use of and augment consumer purchasing power and move a larger volume of food through normal channels of processing and trade.

It may well be that some who have already adopted the "enough to eat for all" public philosophy as expressed in existing legislation and these pending bills may yet not be fully ready to implement their humanitarian and intelligent principles by such bold forward steps as are spelled out in the food-allotment and food-certificate bills. If these exist in sufficient numbers as to render impossible adoption by Congress of the broader bills but when added to those who join us in support of the bolder approach, then by all odds the Nation will be benefited if the two groups go in together and bring about enactment of the bill before you which is at least a significant, if short, step in the right direction.

We fully approve the underlying idea of all three approaches—the idea that in this era of abundance the Federal Government should use some of its funds to insure that everyone in the Nation has enough to eat.

We urge you to give the concept as broad and as expanded an application as the Congress will adopt. We feel that it is a good sign that even the least bold of the three bills has come to the hearing stage of legislative progress. We are confident that one day this Nation will adopt a nationwide food-allotment plan and a national food and fiber policy consistent with it. However, we are impatient that the ultimate realization of the "enough to eat for all" goal be brought down to the nearest possible future.

There are somewhere between 3 and 4 million involuntarily unemployed workers in our Nation. In the recent past, the number has been even greater. Unless more expansive Federal policies are adopted than those now in effect the number of unemployed will grow in a chronic rise over the years ahead. More than half of our farm operator families have incomes less than \$2,000, almost half of the Nation's unskilled and service workers have incomes of less than that amount. Many aged people and dependent widows and children and the dependent handicapped, also, have incomes so low that they cannot afford to buy enough of the right foods for adequate nutrition. Governmental programs to fill this gap will not only implement the right to enough to eat; it will, also, go a long way toward solving the recurrent problems of falling farm prices and incomes which dropped about 13 percent from 1952 to 1954 and are predicted by the United States Department of Agriculture to drop another 5 percent in 1955.

Farm-operating families suffer poor incomes because many people suffer relative hunger in our Nation. It's high time the Nation corrected this unnecessary and essentially brutal situation. We are stepping into the age of abundance; now is the time to grow up to our potentialities and stand up to our responsibilities. Now is none too early to start making the "enough to eat for all" goal which is incorporated in our legislation and our public morality a reality in this country.

We appreciate the opportunity you have given us to express our views to you on this important humanitarian subject.

Sincerely,

JAMES G. PATTON, *President*.

PROCESSING OF COMMODITY CREDIT
CORPORATION COMMODITIES

HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE
EIGHTY-FOURTH CONGRESS
FIRST SESSION

ON
S. 661

A BILL TO AUTHORIZE THE COMMODITY CREDIT CORPORATION
TO PROCESS FOOD COMMODITIES FOR DONATION UNDER
CERTAIN ACTS

MAY 12, 1955

Printed for the use of the Committee on Agriculture and Forestry



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PROCESSING OF COMMODITY CREDIT CORPORATION COMMODITIES

THURSDAY, MAY 12, 1955

UNITED STATES SENATE,
SUBCOMMITTEE ON COMMODITY CREDIT CORPORATION
OF THE COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to notice in room 324 Senate Office Building, Senator Spessard L. Holland (chairman of the subcommittee) presiding.

Present: Senators Holland, Aiken, and Williams.

Senator HOLLAND. The subcommittee will please come to order. The hearing has been called on S. 661, a bill introduced by Senator Clements from Kentucky for himself and others. I ask that the bill itself be made a part of the record.

(S. 661 is as follows:)

[S. 661, 84th Cong., 1st sess.]

A BILL To authorize the Commodity Credit Corporation to process food commodities for donation under certain acts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the next to the last sentence of section 407 of the Agricultural Act of 1949, as amended, is amended to read as follows: "Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodity to the Corporation in store, the cost of processing it into a form suitable for home or institutional use if it is a food commodity, and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State, such processing to be accomplished through private trade facilities to the greatest extent possible."

SEC. 2. Section 416 of the Agricultural Act of 1949, as amended, is amended by inserting before the last sentence thereof a new sentence as follows: "In addition, in the case of food commodities disposed of under this section for use within the United States, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible."

Senator HOLLAND. Under date of March 29, 1955, True D. Morse, Acting Secretary of the Department of Agriculture, reported in writing on this measure, to Senator Ellender as chairman of the full committee on Agriculture and Forestry and I ask that that report be included in the record.

(The report is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 29, 1955.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 661, a bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The Department does not favor passage of S. 661.

S. 661 would authorize the Commodity Credit Corporation to pay the cost of processing food commodities into a form suitable for home or institutional use in connection with donations to domestic recipients of price-support commodities made under the authority of sections 407 and 416 of the Agricultural Act of 1949. By providing authority to pay processing costs, S. 661 would permit the donation of wheat and corn, in the form of flour and meal, respectively, to eligible domestic recipients.

The domestic distribution of wheat flour and cornmeal cannot be justified on the basis of the need for surplus disposal operations. Such distribution would be more in the nature of a welfare or a relief program, which is not a direct responsibility of this Department.

Wheat and corn are storable commodities and, with stock rotation, there presently is not a danger of substantial loss or waste of CCC-owned stocks. From the standpoint of inventory management, particularly since stocks of wheat and corn can be considered a reserve for strategic purposes, the Department's first responsibility is to secure all possible sales.

Moreover, as a possible surplus-disposal operation, the domestic distribution of wheat flour and cornmeal would have limited impact. The amounts so moved would be small in relation to the size of present holdings. The additional costs to CCC (including administrative costs) would outweigh any probable increase in domestic consumption of wheat and corn or any possible net reduction in the level of Government stocks.

Because of the widespread use of cereal products, we also believe that it would be difficult to avoid significant interference with normal marketings of wheat flour and cornmeal, particularly in the case of schools and institutions. Even among needy persons and families, because of their relatively high consumption of cereal products, we would anticipate that a donation program would result in only a small overall increase in the use of cereal products.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Senator HOLLAND. I see that our distinguished former Vice President is here, one of the coinroducers of this measure. We will be glad for you to appear and testify.

STATEMENT OF HON. ALBEN W. BARKLEY, A UNITED STATES SENATOR FROM THE STATE OF KENTUCKY

Senator BARKLEY. I appreciate that courtesy especially inasmuch as I am a member of two committees that are now in session and I want to try to attend one of them.

I appear here in support of 661 which grows out of an interpretation of the Agricultural Act of 1949 and also the Trade Development Act of 1954. A group of us went down to the Department of Agriculture back in January, I believe, to secure aid in the way of food under the Food Distribution Act for unemployed people in Kentucky and of course, by analogy, in all of the States similarly situated.

We have great unemployment in the coal regions of Kentucky and in other sections of the State. That is true of Pennsylvania, Ohio, West Virginia, Virginia, and a number of other States. You see, from the Senators who have joined in the introduction of this bill, that the need for it is pretty widespread.

We were advised and found as a matter of fact that both the Commodity Credit Corporation and the Department of Agriculture, through the Secretary, had interpreted those acts to mean that they could not process grain for distribution in the form of flour or meal, or any edible condition, for people under the act, notwithstanding

they could do the same for export abroad. I think everybody agreed that Congress had no such intention at the time of the enactment of the law to proscribe the processing of wheat and corn or other grains into edible condition, but that was the interpretation both of the Secretary of Agriculture and the Commodity Credit Corporation. This bill 661, introduced by Senator Clements and me on our behalf and in behalf of other Senators, and also a similar legislation introduced in the House, simply provides for the processing of this grain so that it may be edible for human beings.

I am not going into any harrowing description of the unemployment situation and the relief situation in certain sections of our State and of other States. I might say by way of emphasis, however, that last year I had occasion to visit, as you might well understand, many of these sections of east Kentucky and I know the same conditions existed over in West Virginia. People were standing in line for blocks to obtain such surplus food as they could have and which was available. These people are fine Americans. They are law-abiding citizens. They are hard-working people. But due to conditions over which they had no control, they were unemployed. In the main they are coal miners, and their families. They have spent their lives in the coal mines and they have not been trained to do anything else except to mine coal, and even if they had been, in these communities where the mines were closed and shut down, business itself was so depressed there would not have been any other jobs for them even if they were in position to perform the work in other jobs.

The result was and is, we have a very tragic situation in those regions and it seemed rather an anomaly that our Government could process wheat, corn, oats, or other grains, into flour and meal and ship them abroad to those whom we are helping, but we could not do it for our own people. I think it was the general agreement that that was not the intention of Congress, although under the language of the act I suppose that there was no other interpretation that could be applied to it, than that which was made. This bill, and others of a similar nature, simply provides that the Commodity Credit Corporation may process this grain into edible flour or meal and whatever comes out of the processing of any grain. The House committee I am informed has acted upon this bill and made some amendments to it. I have not seen its amendments. I just have been handed the report of the House which is prepared but not yet issued and the report has not yet been made to the House. At least the bill has not been written up in the form of amendments. As I understand it, the House committee amended the bill so as to take the administration of it out of the CCC and put it in the Department of Health, Education, and Welfare, with a provision that that Department should reimburse the Commodity Credit Corporation for the expenses of processing this grain. I am informed and I am sure that there will be witnesses here who can confirm or deny it, that the byproduct of the processing of this grain in the form of salable feeds would practically be enough to pay the expenses of the processing of it. The need for flour and meal and the products of grains after being processed is great in the regions intended to be relieved by this act. The need has not declined to any appreciable degree because, while there has been a slight uptrend in the production of coal, I am afraid it is temporary, though I would hope it is permanent.

There is still great unemployment and there is no other labor in that community which these people can go to. They either have to rely on relief or move into some other community, and that is it. It is a tragic situation, where people have to uproot their families and move them somewhere else looking for jobs, not knowing that they will get jobs when they move. The need is there, Mr. Chairman. We have the grain in storage which can be processed and it seems to me that while it was not intended, and nobody would wish to draw any invidious comparisons between our relief to other countries and our own people. I am sure that nobody would wish to perpetuate a situation where we can process these grains for the benefit of other peoples and not process them in behalf of our own people. That is the object of this legislation.

That is about all I can say about it. About all I need to say, I suppose. I thank the committee for this opportunity. Senator Clements is in Kentucky but his representative is here. And Members of the House are here also to appear before you.

I appreciate very much this courtesy. I hope the committee will act favorably upon this legislation.

Senator HOLLAND. Thank you, sir.

We will be glad to hear from Members of the House of Representatives next. If any of you have a special committee meeting or need to get away, we will call you first.

We will hear from Congressman Jennings.

STATEMENT OF HON. W. PAT JENNINGS, REPRESENTATIVE IN CONGRESS FROM THE NINTH DISTRICT OF VIRGINIA

Mr. JENNINGS. Mr. Chairman, I am Pat Jennings of the Ninth District of Virginia. I wish to appear here in support of the bill which is now under consideration. A similar bill was passed by the committee of which I am a member in the House, the Agricultural Committee. I have a report on the bill which was passed by the House. This simply provides that the Commodity Credit Corporation may process wheat and corn into flour and meal and distribute it to the needy people of our districts, along with other commodities which are presently being distributed. For lack of another statement or word to call this situation, we might refer to it as a breadline without bread because they are now receiving cheese, dried milk, beans, butter, shortening, and rice, but they are without the staff of life, which is bread.

It is not our desire to have this wheat processed into bread but merely into flour because the people themselves with their native ability will further process it into very palatable bread.

In my district of 6 counties we have 68,000 people who are drawing surplus commodities as a source of livelihood. In some counties 1 out of every 4 are receiving surplus foods. The situation really creates an acute need. These people are willing to work, for the most part. They want to work and they are unemployed through no fault of their own and I certainly feel very emphatically that this bread should be provided for these people.

There are objections from the Department of Agriculture in that they say it will displace normal channels of trade. Perhaps there is a degree of truthfulness in that because I think actually that the last

thing anyone will buy before they starve to death would be bread, but by the same token, the last thing anyone would do before they die would be to breathe.

I cannot go along with the idea that it will materially interfere with normal channels of trade because these people do not have the money with which to buy the bread. As a matter of fact, I receive letters daily from people in my district asking for this bread, asking for the right to have included in the program flour and meal.

This is not something that is just starting. I have here and I would like to introduce as a part of the record, a picture and an article that appeared in the Lebanon News on Thursday, August 5, 1954, in which they point out the "Russell County Miners' Breadline Without Bread," also it shows and gives the conditions that exist.

Senator HOLLAND. The picture will be received for the files.

Is there anything in writing that you want to incorporate?

Mr. JENNINGS. Yes; this article.

Senator HOLLAND. You would like the article in the record?

Mr. JENNINGS. Yes, sir.

Senator HOLLAND. It will be incorporated.

(The article referred to is as follows:)

[From the Lebanon News, Lebanon, Va., August 5, 1954]

RUSSELL COUNTY MINERS' BREADLINE . . . WITHOUT BREAD

If you had a good breakfast this morning of the usual eggs, bacon, toast, and coffee, you won't believe the pictures above or this story.

One thousand and one breadwinners of large families, most of whom live in Russell County, will tell you that their plight does "border on disaster." This exact number of miners gathered last Saturday to receive their portion of surplus foods being made available to them at the distribution center near the once thriving coal metropolis of Dante, Va.

The pictures above were taken about 10 a. m. last Saturday morning. At that time more than half of the 1,000 eligible recipients had been processed through the food depot and others were arriving each minute.

Three foods—beans, shortening, and canned beef—were on the menu Saturday morning. Each family head was given these commodities in proportion to the number in his family. A miner with a large family, and these were in greater ratio than smaller families, received more food, of course, than did the smaller family units.

At the next distribution in about 2 weeks the miners will be given cheese, butter, and dried, powdered milk. Six foods—that's the complete menu. Bread, the biblical "staff of life" is not available in surplus foods, and many homes in the coal-mining areas have been without bread for weeks.

The miners are not a bitter lot because of their plight. They hope for better things in the future. They are a proud people and they are most grateful for the aid they are receiving, but none like this "dole." Without exception all would rather have work to earn that which their families need.

Another sad condition exists that even a full belly can't hide—inadequate clothing. This is especially true among the children who in another month will begin another school year. A spokesman said that the State welfare department was making efforts to secure clothing and blankets before cold weather arrived.

Everett Dishman, local UMW president, said Saturday that he could see no immediate end to the miner's plight. The usual summer stockpiling of coal did not alleviate the situation by providing increased work, Dishman said. The local union has practically expended its entire treasury of \$20,000 in providing aid to the miners and transportation for the surplus foods. Other small grants have been made to help with transportation by the county board of supervisors which helped immensely, he said.

The food is shipped to St. Paul, Va., and then trucked to the distribution center. Volunteer workers help with the distribution in the lower floor of the almost completed Moose lodge building.

Miners interviewed in the long lines formed outside the building gave praise to their union president, Everett Dishman, for his untiring efforts to secure food for their families. Dishman, a modest sort of man, would claim none of the credit but chose to commend State Senator Harry C. Stuart of Russell County, delegate Glenn Phillips of Dickenson, and delegate Vernon C. Smith of Buchanan County for their efforts in securing this surplus food.

Contrary to belief in some quarters, a miner need not be affiliated with the union to receive these foods. A nonunion miner with certification from his employer that he is out of work receives just as much food as the union miner, Dishman pointed out.

Two of these distribution centers are in operation in Russell County. One at Dante and one at Swords Creek. Buchanan County has seven centers. Dickenson County has 1,500 families affected, and the situation in Wise County is said to be worse than that in Russell.

Comments from the miners receiving food varied very little when questioned by this writer:

Benton Kiser, a resident of Carrie, Va., and a former miner at No. 2 in Dante, with eight in his family including a 2-year-old child, said: "We were hardly living. It would have been almost impossible to feed my family without this food."

Mrs. Ruby Massey, Coeburn resident, but formerly of Dante who was receiving food in place of her husband who was too ill to be there in person, had this to say about her family of 6: "We could not feed our family at all. Many times my children did not have enough to eat and even now they do not have the proper things."

L. C. Sproles, a former Dante miner who lost both legs in a mine accident in 1950 when he came in contact with a 33,000-volt line and has been totally disabled since, said, "I am lucky to be alive. I draw a small disability pension which is not enough to feed my wife and child. The surplus foods are helping to keep us fed."

E. M. Mabry, a colored miner at Dante's No. 53, said, "I have worked here for almost 30 years. We have no other income and we would have starved without this surplus food."

Ike Wade, colored, of Gravel Lick, who has a small acreage to farm, said "I have worked at Dante 30 years and this is the longest I have ever been without work. This food helps us greatly."

Homer Carter, a miner for Wood Coal Co. on Chaney Creek, 57 years old, said "I have been mining coal for 35 years and I now find myself unable to get work to feed my family of 4. I don't like these breadlines. I would rather work than have food given to me."

Scott Helbert, miner at Dante No. 52, said, "My family would be in bad shape without this food. Work is what we need—not free food."

Alonzo Hurd, Dante miner, said "The present situation here in the coalfields is worse than any I experienced in Hoover's times and it keeps getting worse—not better."

And that's the story as this writer has tried to honestly report it. Grim, stark tragedy faces these men who have spent the best portions of their lives digging coal in the underground pits. They have no sidelines, no other vocations they can follow.

This is their story and it isn't a pleasant one.

Mr. JENNINGS. I have letters also from various merchants. I have letters from each of the welfare departments of these counties, saying that credit has expired to these people, that they can no longer get credit to buy the flour and meal. It is necessary for them to cut off this source of supply as the result of credit.

As a matter of fact, it has necessitated some of the smaller merchants folding up, going broke, because they have continued to give credit to these people. I also have one letter in here from a county saying that the churches had made up about \$500 during Christmas and distributed to these needy people and the most of that \$500 went for the purchase of flour and meal.

It was felt—another objection I might say was the fact that it would make out of the agricultural department somewhat of a relief agency. The bill has been amended so that this will be charged to the Health, Education, and Welfare Department.

Senator HOLLAND. You mean the House bill has been?

Mr. JENNINGS. Yes, sir. It has taken out the feature, I believe, that would be objectionable to the CCC and the Department of Agriculture in that field.

Without infringing more upon your time, I would be glad to answer any questions that you might have concerning that matter in my district.

Senator HOLLAND. Senator Aiken.

Senator AIKEN. Do you have processing facilities in your district?

Mr. JENNINGS. Yes, we do have some.

Senator AIKEN. How is the State handling the situation?

Mr. JENNINGS. Well, we have what is known, sir, as the surplus commodity distribution agent, who is head of all of the distribution of surplus foods in the counties for the State. Then in each county under the welfare organization we have distributors of surplus commodities. In each of those counties. I might say that before any of this is given that they make application and each of the cases is investigated.

Senator HOLLAND. It is handled on a county basis?

Mr. JENNINGS. Yes. However, it is shipped to the States in carload lots to central locations and the State takes over and breaks it down and passes it down into the counties.

Senator HOLLAND. The adding of these surplus distributions in the form of processed flour and meal to distributions already being made would not require the setting up of any machinery not now existing?

Mr. JENNINGS. No. It will merely add two commodities to the present commodities which are being distributed and the same channels being used.

Senator HOLLAND. Is this program supported by the State welfare group?

Mr. JENNINGS. Yes; it is. I have letters to that effect. And also, I might add that in the amended form of our bill, if I might interject that at this time, in order to be eligible for the receiving of these commodities, it would be under 2 categories, 2 prerequisites for qualification.

One is that the Secretary of Labor would make a survey of the area and certify to the Health, Education, and Welfare people that a surplus of labor existed.

That it was not due to a seasonable trend, and that there was nothing in the immediate future to show of its immediate relief or change. Then the governor of the State would have to certify that an acute shortage existed before any of it would be put into effect.

The other is that the President of the United States would declare it a distressed area, and upon his certification of course it could be distributed.

Senator HOLLAND. That declaration would run to the specific counties affected, only?

Mr. JENNINGS. Yes. They refer to it as areas.

Senator AIKEN. Have you had any industries at all to move into the area to take advantage of the surplus labor?

Mr. JENNINGS. No. Sorry to say that we have not. We have been working very diligently but so far we have had little success in attracting new industries into the section because of the mountainous terrain.

Senator AIKEN. It is a matter of location?

Mr. JENNINGS. Yes, a matter of location to a certain extent and the unwillingness of industry and perhaps the Defense Department to recognize maybe, I might say of the administration to recognize the conditions that actually exist. They spend more time explaining away the fact that these conditions exist rather than trying to do something about it.

Senator HOLLAND. Is this the district of which Bristol is the principal city?

Mr. JENNINGS. Yes, sir; the district joins Kentucky, mountainous part of the district, Tennessee, and West Virginia.

Senator HOLLAND. Any more questions?

Senator WILLIAMS?

Senator WILLIAMS. No.

Senator HOLLAND. Next we will hear from Congressman Mollohan.

STATEMENT OF HON. ROBERT H. MOLLOHAN, REPRESENTATIVE IN CONGRESS FROM THE FIRST DISTRICT OF WEST VIRGINIA

Mr. MOLLOHAN. Mr. Chairman, and members of the committee, I deeply appreciate this opportunity to present my views and to urge your support of S. 661. A number of similar bills including my own H. R. 2864, have been introduced in the House and the House Agriculture subcommittee on Domestic Marketing has reported favorably a measure to correct an inequity visited upon many thousands of our needy citizens as a result of the enactment of Public Law 480 by the 83d Congress.

Since July 1, 1954, under authority granted it by section 103 (a) of the Agricultural Trade Development and Assistance Act of 1954, the CCC has contributed in round figures 12,300,000 bushels of surplus wheat and 2,600,000 bushels of processed wheat flour to relieve hardship and suffering among the people of Europe, Asia, and the Western Hemisphere.

This is the equivalent of almost 1 billion loaves of bread—a generous amount indeed, I think you will agree—for this Nation from its bounty to have cast upon the waters of our friendly relations with other lands.

It also represents enough wheat and flour to provide a loaf of bread a day, every day throughout most of an entire year to each one of the presently estimated 2,962,000 unemployed workers in this country. But under this same Public Law 480, which provides for such outstanding generosity on the part of the United States for the nationals for other nations, there is, according to the Secretary of Agriculture, Mr. Ezra Taft Benson, no similar provision made for a show of equal generosity to the destitute needy among our own unemployed workers and their families.

Instead, here is the list of commodities which are presently doled to these unfortunates: Dried lima beans, dried pinto beans, dried red kidney beans, processed butter, bulk butter, processed cheese, dried bulk milk, dried processed milk, cottonseed oil, and shortening.

Now I am convinced that there is no member of this committee nor any Member of this Congress who could deny to a hungry man or his family the bread they need to keep body and soul together. Still, you gentlemen will note that there is not a grain of wheat nor a kernel of corn with which to provide bread—the staff of life—

among the commodities distributed to the destitute unemployed under our present surplus food distribution program.

Yet, today, in some of the coal-producing counties of Kentucky, Pennsylvania, and West Virginia, almost 1 of every 3 human beings is dependent upon public assistance in some form to sustain life. From my home county of Marion, recent reports which have reached me reveal that 25 percent of the entire population of the county is in need of direct assistance in order to maintain a bare substandard of subsistence. The records of the local employment office show that 13½ percent of the working population is jobless; and that of an estimated population of 71,000, nearly 19,000 are members of families with no means of support except through State department of public assistance or direct charity.

Throughout the entire State over 34,300 breadwinners exhausted their unemployment benefit rights in 1954 without finding work. Now, they and members of their families, some 250,000 of them—or approximately 12½ percent of the total population—must look to the State's public assistance program for aid. But there is no adequate aid available to them through the public assistance program already overburdened by the long and protracted business depression from which our area is suffering. The only help many receive is from the Federal Government's surplus food distribution program.

But while this country has grain to spare and the funds to process that grain into flour for the disaster-struck peoples of other nations, this help is withheld here at home.

The fault, they say, is ours, because Congress neglected to authorize the CCC to process surplus farm products for domestic distribution even while providing such distribution for our friends—and some not so friendly—overseas. At least this is how the Secretary of Agriculture has chosen legally, and in my opinion rightly so, to interpret the language and the intent of the 83d Congress which enacted the legislation authorizing the surplus food distribution program.

If this is the case, the remedy is at hand. There are before this committee now, a number of bills—which would rectify the error. I use the word "error" because I am convinced that there is not now, nor has there ever been a Member of the Congress who would grant to the hungry peoples of other lands the help and assistance he was unwilling to extend to his own.

From the time Public Law 480 was enacted up to the present time, the Commodity Credit people have sent over 70,339 metric tons of wheat flour and over 334,228 metric tons of wheat, valued at \$48¾ million overseas. For the information of this committee, I attach a table giving the full breakdown of these shipments and the purposes for which they were donated to the people and their governments abroad. The amount required to give bread to unemployed workers in this country will be but a small fraction of this quantity.

As to the actual cost of this program to the Federal Government, I am informed by the Agriculture Marketing Service that, including schools, institutions and needy families, the total amount required to produce wheat flour for all domestic outlets would amount to only 500,000 bushels of wheat a year—scarcely a drop in the bucket out of our enormous surplus supply.

Furthermore, there will be absolutely no expense to the Government for the milling of this wheat into flour. Based upon 72 percent of ex-

traction, the value of the byproduct obtained will not only pay the conversion costs but will pay for bagging and transportation of the finished product, as well.

I am sure there is no need for me to emphasize further the extreme importance of this project to West Virginia and other areas where unemployment is raising acute problems.

The purpose of the proposed legislation, as set forth in S. 661, is merely to authorize the CCC to do for the destitute, the needy and the unemployed in this country what it is already authorized to do for foreign peoples.

With sincere conviction, let me say that as certain as I am that its humane aspects will receive your sympathetic and understanding consideration, so I am equally hopeful this legislation will also have your support. Thank you for affording me this opportunity to express my views.

(The table referred to is as follows:)

Distribution of surplus wheat to foreign countries, fiscal year 1955, under authority of title I, Public Law 480, 83d Cong., 2d sess.

Country	Purpose	Amount (metric tons)	Commodity	CCC value
Hungary.....	Danube flood relief.....	10, 000	Wheat.....	\$1, 120, 000
East Germany.....		750	Wheat flour.....	131, 000
Yugoslavia.....		10, 000	Wheat.....	1, 120, 000
West Germany.....		1, 000	Wheat flour.....	163, 000
Haiti.....	Hurricane Hazel.....	1, 047	do.....	277, 000
Nepal.....	Earthquake and flood.....	1, 200	Wheat.....	145, 700
All nations.....	Christmas package program.....	23, 028	do.....	2, 014, 000
Vietnam.....		4, 032	Wheat flour.....	800, 000

Data supplied by Legislative Reference Service through FOA.

Gifts to foreign governments (but not necessarily for free distribution)

Country	Amount (metric tons)	Commodity	CCC value
Libya.....	27, 000	Wheat.....	\$3, 250, 000
Bolivia.....	63, 500	Wheat flour.....	7, 700, 000
Yugoslavia.....	275, 000	Wheat.....	32, 000, 000
Total.....			48, 720, 000

Data supplied by Legislative Reference Service through FOA.

Senator HOLLAND. Thank you, Mr. Mollohan.

Senator Aiken, do you have questions?

Senator AIKEN. No.

Senator HOLLAND. Senator Williams?

Senator WILLIAMS. No questions.

Senator HOLLAND. Thank you very much.

Senator HOLLAND. We will next hear Congressman Van Zandt.

STATEMENT OF HON. JAMES E. VAN ZANDT, A REPRESENTATIVE IN CONGRESS FROM THE 20TH DISTRICT OF PENNSYLVANIA

Mr. VAN ZANDT. I appear before you, Mr. Chairman, in support of S. 661, which is similar to H. R. 2851 with the exception of amendments adopted by the House Committee on Agriculture. I introduced similar

legislation in the House because the subject of processing wheat into flour and corn into meal is of great interest to the unemployed people in my congressional district who can use surplus commodities to better advantage if they are processed as provided for by this legislation.

Mr. Chairman, at present over 18 percent of the civilian labor force in my congressional district is unemployed and is principally composed of coal miners and railroaders who have exhausted their unemployment insurance benefits, liquidated their savings accounts, borrowed on or have taken the cash value of their insurance policies and today are living on public assistance and surplus commodities.

To give you some idea of the overall picture of unemployment in my congressional district, let me call your attention to the following chart that describes the number of families and persons receiving surplus commodities.

(The chart follows:)

Surplus commodities

County	Number of families	Percentage of all families	Total number of persons	Percentage of county population
Blair.....	10,801	26.8	32,561	23.3
Centre.....	2,939	15.9	9,362	14.2
Clearfield.....	9,988	42.2	37,179	43.3
Total.....	23,728	28.8	79,402	27.1
Entire State of Pennsylvania.....			1,020,963	

¹ 9.7 percent of State population of 10,498,012.

Surplus commodities by carload lots to Mar. 1, 1955

County	Beans	Beef	Butter	Cheese	Dried milk	Rice	Shortening
Blair.....	2	16	21	19	18	1	16
Centre.....	1½	4	3	5	5	½	4
Clearfield.....	4	5	16	14	16	1	13
Total number of carloads.....	6½	25	40	38	39	2½	33
Grand total, 184 carload lots.							

MR. VAN ZANDT. You will notice there are 23,728 families depending upon surplus commodities, or 28.8 percent of all of the families in my congressional district. The total number of persons in my congressional district receiving surplus commodities is 79,402, or 27.1 percent of the entire population. May I call to your attention that in the entire State of Pennsylvania, 1,020,963 persons are receiving surplus commodities, or 9.7 percent of the population of 10,498,012.

SENATOR HOLLAND. Will you yield for a question right there?

What is the reason for this heavy unemployment in your State?

MR. VAN ZANDT. The coal industry in central Pennsylvania, which is our basic industry, is sick due to the fact substitute fuels are taking the place of coal; also because of foreign residual oil from Venezuela which has captured our eastern seaboard market, thus destroying the jobs of thousands of coal miners, railroaders, and others in related industries.

The following chart describes fully the economic losses that this foreign residual oil from Venezuela inflicted upon the American coal

and railroad industries. The chart also shows the loss in wages from the importation of foreign residual oil for the period from 1946 through 1954.

Economic losses to American industry and labor occasioned by United States imports of residual oil, 1946 to 1954, inclusive

Item	1946	1947	1948	1949	1950	1951	1952	1953	1954
United States imports of residual fuel oil (millions of barrels).....	45	54	53	75	120	119	129	136	132
Coal equivalent tons of item above (millions of tons).....	11	13	13	18	29	29	31	33	32

Estimated economic losses to American industry and labor resulting from United States imports of residual fuel oil

[Millions of dollars]

Item	1946	1947	1948	1949	1950	1951	1952	1953	1954
Coal producers.....	37	54	64	87	139	141	151	160	153
Railroad revenue.....	21	28	30	45	74	75	86	92	84
Coal miners, wages.....	19	27	31	43	68	72	77	81	74
Railroad labor, wages.....	12	14	15	23	36	38	43	46	44
Taxes (Federal, State, and local—direct).....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	41	40

¹ Not available.

Mr. Chairman, this chart speaks for itself because it reveals the tremendous increase annually since 1946 in the importation of foreign residual oil.

In addition, it also discloses the millions of tons of coal displaced annually; the revenue lost to coal producers and the railroads; the loss in taxes to local, State, and Federal Government; and more important than anything else, the wages lost by coal miners and railroaders.

To give you some idea as to the effect of the decreased use of bituminous coal I wish to call your attention to this chart which shows the men employed in bituminous coal production annually from 1948 through 1954.

Men employed in bituminous coal production

1948.....	441, 631
1950.....	415, 582
1951.....	372, 897
1952.....	335, 217
1953.....	266, 000
1954.....	220, 000

Mr. Chairman, you will observe that from 1948 the number of men employed in bituminous coal production has been decreasing steadily. For example, in 1948 there was a total of 441,631 men employed and in 1954 the number dwindled to 220,000, or about a 50 percent reduction in the jobs of coal miners.

May I say at this point when you destroy the jobs of coal miners you likewise destroy the jobs of railroaders and employees in related industries. As a matter of fact, the economy of the communities in the coalfields is likewise affected.

Mr. Chairman, from the information furnished in my testimony you have evidence as to the basis for the unemployment in the coal, railroad, and related industries.

Mr. Chairman, there is no denial of the fact that these figures are startling and are an answer to those who smugly insist that there is no acute unemployment problem in the labor surplus areas of the Nation.

Think of it, Mr. Chairman: According to the Pennsylvania Department of Property and Supplies, in this great industrial State of Pennsylvania, out of its 10½ million residents, nearly 10 percent, or 1,020,963, are living on surplus commodities.

In this congressional district comprising Blair, Centre, and Clearfield Counties, out of a population of 292,000, nearly 28 percent or 79,402 persons are receiving surplus commodities.

Mr. Chairman, these figures are startling for they truly portray the extent of unemployment in my congressional district as well as in the entire State of Pennsylvania.

As I said in the beginning of this statement, the processing of wheat into flour and corn into meal will enable the families of the unemployed to use these surplus commodities to good advantage since many housewives will bake their own bread and muffins and can put the flour and meal into good use in arranging the family diet.

Mr. Chairman, this idea of processing wheat into flour and corn into meal as provided for in S. 661 will not establish a precedent in the handling and distribution of surplus commodities because over a period of years the United States Department of Agriculture has been distributing canned beef and gravy in processed form.

According to the report of the United States Department of Agriculture, during the period from March to December of 1953, they purchased nearly 172 million pounds of canned beef and gravy for distribution here in the United States, while nearly 12 million pounds of canned beef and gravy were purchased for export, mainly to Greece and Germany. The cost of these purchases was in excess of \$72 million.

Mr. Chairman, if it has been possible to put beef and gravy in a tin container for distribution, I can see no reason why wheat and corn should not be processed into flour and meal for the unemployed of the Nation. Therefore, I hope that S. 661 will receive the favorable consideration of this committee.

Senator HOLLAND. In the processing of wheat, of course, that was accomplished by private commercial packing plants?

Mr. VAN ZANDT. Yes, sir.

Senator HOLLAND. And by the purchase of the processed product from those plants by the Government. Is it contemplated by your bill that same course would be followed under the operations that would take place under this bill? In other words, that the Government would not be authorized to set up flour mills, meal manufacturing plants, of its own but would instead make use of normal channels of processing?

Mr. VAN ZANDT. That is my understanding.

Senator HOLLAND. Is that provided in the bill?

Mr. VAN ZANDT. Yes, sir.

Senator HOLLAND. With reference to the unemployment in your State, which of course everyone regrets, to what extent was that unemployment attributable to the shutdown of the coal industry on some three different occasions during and just after World War II? My understanding is that there was a great deal of conversion of both

private and public heating plants during that time because coal was unobtainable.

Mr. VAN ZANDT. I will agree that shutdowns in the industry during and after World War II resulted in some unemployment and caused conversions of both private and public heating plants because coal was unobtainable. However, the effect of shutdowns is minor when taking into consideration the effects of foreign residual oil, substitute fuels and dieselization of railroad motive power.

The following chart shows the decreased use of coal by the railroads of the Nation and by other domestic users.

Consumption of bituminous coal

[Thousands of net tons]

Year	Railroads (class I)	Retail dealer deliveries	Total
1946.....	110, 166	100, 586	500, 386
1947.....	109, 296	99, 163	545, 891
1948.....	94, 838	89, 747	519, 909
1949.....	68, 123	90, 299	445, 538
1950.....	60, 969	86, 604	454, 202
1951.....	54, 005	76, 531	468, 904
1952.....	37, 962	68, 393	418, 757
1953.....	27, 735	61, 295	426, 285
1954.....	17, 370	52, 616	362, 980

Source: U. S. Bureau of Mines.

You will observe the drastic decrease in the amount of coal used by the railroads which is the result of the dieselization of their motive power.

The loss in domestic use or in retail deliveries is chargeable to the use of substitute fuels.

Mr. Chairman, practically all of our deep mines here in central Pennsylvania are closed and thousands of miners have been out of work for several years.

In fact, many mining towns have been abandoned and their empty and dilapidated rows of houses stand as a ghastly monument to the destructive effects of the importation of foreign residual oil.

Because they have nowhere to go, only a few of the unemployed in the coalfields of central Pennsylvania have left the area.

The result is that today, according to the United States Department of Labor, my congressional district since 1949 has been classified as a critical area because of a very substantial labor surplus.

In fact, and I stated before, at the present time over 18 percent of the civilian labor force is unemployed. This unemployment is not confined to coal miners and railroaders but includes those employed in affected related industries.

Therefore, Mr. Chairman, the three counties that comprise my congressional district represent one of the most acute unemployment areas in the United States. This unemployment problem that exists in my congressional district did not happen overnight. As I mentioned a moment ago, were it not for World War II and the Korean war which stepped up the demand for coal the unemployment problem we have today would have been equally acute in the intervening years.

In a few words, World War II and the Korean war simply delayed the day of reckoning.

Mr. Chairman, that is the situation as I understand it in central Pennsylvania. Does that answer your question?

Senator HOLLAND. Not entirely. My personal files through the years have indicated that at least the one contributing cause which is bitterly complained of by some of my correspondents has been the attitude of the coal industry, they priced themselves out of the market in many markets and have also made of themselves undependable sources of supply by these various shutdowns which I mentioned.

I know that to some degree that has contributed——

Mr. VAN ZANDT. That is true.

Senator HOLLAND. To the disaster. That does not at all take away from the distress of the people who are suffering. I am sure it will not. And that should not affect the attitude of this committee or Congress but for the long-range solution of the problem, it should cause a very deep inspection of the situation by the people affected.

Mr. VAN ZANDT. Mr. Chairman, may I continue by saying that we who live in the coalfields recognize possibly for the next 4 or 5 years, the coal industry is passing through a period of transition. The day of not using raw coal for the purpose of producing heat is not too far away. It is the chemical industry that will extract by-products from coal. Today the byproducts are in excess in number of 100. Eventually, they will extract possibly 150 byproducts leaving a cheap liquid which will be used for producing heat rather than raw coal itself.

Senator HOLLAND. You know, of course that the Congress is approving a very sizable appropriation for research in the very field that you are talking about?

Mr. VAN ZANDT. That is right.

Senator HOLLAND. And very properly so. What is the industry itself doing to contribute to the solution of its problems?

Mr. VAN ZANDT. The industry has several research laboratories. I am not certain where they are located but I do know millions are being spent in an effort to develop new ideas for the use of coal.

Mr. Forbes, Director of the Bureau of Mines, is in a position to tell you about the research efforts of both the Government and the coal industry. I am certain you will find the effort a far-reaching one.

Senator HOLLAND. What witness did you mention?

Mr. VAN ZANDT. Mr. Forbes is the Director of the Bureau of Mines, Department of the Interior.

Senator HOLLAND. He could testify as to the Government efforts.

Mr. VAN ZANDT. That is right.

Senator HOLLAND. Let me have information about the industry.

Mr. VAN ZANDT. I would suggest you call upon Mr. Tom Pickett of the National Coal Association to furnish you full information regarding the industry's effort in the field of research.

Senator HOLLAND. Was that information made available to the similar House committee in passing upon the House bills on this subject?

Mr. VAN ZANDT. I notice Congressman Jennings of Virginia sitting to my right. Since he is a member of the House Committee on Agriculture I am certain he can answer the question.

Senator HOLLAND. While the committee will deal primarily with the distress that now exists, I think it would be unjustified in leaving the subject without having the record quite complete. It should disclose what is being done to alleviate this distress, because it is a palliative only to give surplus food to people who are not able to support their families on a standard basis. I hope that the evidence that you have referred to will be made available for the record because I am satisfied that there will be Members of the Senate who will want to look a little deeper than just into the question of what we can do to alleviate the immediate distress.

Mr. VAN ZANDT. I am sure if you call the spokesmen for the Bureau of Mines and the National Coal Association you will find that research is a very important item in the coal industry.

Senator HOLLAND. We will make a note of those names and invite them to appear before the committee or submit statements. Thank you very much.

Do you have any questions?

Senator AIKEN. No.

Senator WILLIAMS. No.

STATEMENT FILED BY THOMAS H. MILLER, DEPUTY DIRECTOR, BUREAU OF MINES,
UNITED STATES DEPARTMENT OF THE INTERIOR

The Bureau of Mines engages in scientific, technologic, and economic research and investigations. It performs considerable fundamental research, background research, and some applied research or development. In selecting problems for study, the Bureau is careful not to duplicate work being done by other public or private agencies, but rather undertakes fundamental and long-range problems that may not be particularly attractive to commercially supported organizations. An important part of this research program is directed toward obtaining fundamental data on the chemical and physical properties of the coal resources of the United States which are useful both to Government and industry.

In general, the following projects represent research activities of the type that have been favored in the Bureau of Mines programs:

1. Investigation of coal-mining methods to increase recovery and extend our minable reserves, increase productivity and reduce costs by improved mining practices and improve safety in mining.
2. Research and development of engineering data on coal preparation.
3. Study of combustion characteristics of solid fuels in various types of burning equipment.
4. Evaluation of carbonizing characteristics of coals to determine amount and quality of coke and chemical products, and effects of coke oven operating variables.
5. Study of the physical and chemical properties of low-rank Western coals, including lignite, to develop improved methods of preparation, storage, and utilization.
6. Coal-to-oil research using the hydrogenation and gas synthesis methods for converting coal to liquid fuels.
7. Coal-to-gas research to make synthesis gas, hydrogen or high-B. t. u. gas for pipeline use.
8. Determination and publication of chemical and physical properties of American coals including their petrographic constituents for evaluating utilization characteristics and yields of chemical products.

COAL MINING

In cooperation with mine operators in Pennsylvania and West Virginia, the Bureau is conducting experiments in long-wall mining using a German coal planer or plow for rapid mechanical mining of thin coal beds. In friable coal, higher production and better recovery can be attained with a planer than by conventional mechanized mining. In one West Virginia mine, test results show that during the mining of 3 panels recovery averaged 85 percent and the productivity per man shift was 23 percent more than in the conventional mining system practiced at the mine. To aid the small mining companies that cannot afford the technical

personnel required to conduct investigations in mining methods, the Bureau made a comparison of the use of continuous mining machines with conventional mobile loading methods, and found that productivity per man shift could be increased considerably using continuous mining methods. Because of the increasing importance of continuous mining on man and machine productivity and reduced mining costs, these investigations are fundamental to the maintenance and improvement of coal's position in the national economy. The Bureau is cooperating with industry in effort to develop efficient methods for mechanized mining of anthracite. Because many of the beds of anthracite are steeply pitching and the coal is hard, machinery applicable to bituminous mining cannot be used in anthracite. Through engineering tests and studies conducted in operating mines, the Bureau has demonstrated the feasibility of machines for anthracite mining. An induced caving method for mining steeply dipping anthracite beds was initiated by the Bureau with improved recovery and increased productivity. Studies in the use of yielding steel props have indicated that this form of roof support has decided advantage over conventional wooden props when mining under heavy overburden. To insure fuel requirements for military and civilian use in Alaska, the Bureau is participating in a drilling program for proving additional reserves. Development of underground mines is being encouraged and is essential to provide assured dependable, year-round production as the strip coal mines operate only periodically.

COAL PREPARATION

Bureau activities in coal preparation have resulted from a steady decrease in the quality of the Nation's coals, especially in the metallurgical grades, as the higher quality deposits become depleted. There has been a marked increase in average impurities in the coal as mined. This has occurred as it becomes necessary to exploit beds of inferior quality and with the rapid expansion of mechanized methods for winning the coal. At the present time, more than 50 percent of all coal mined is mechanically cleaned before marketing. In laboratory and pilot-plant tests, the Bureau determines the preparation characteristics of coal. Studies are made of the effect of particle shape and size of the coal upon its washability. Basic data are determined for various coal-cleaning methods that will aid in the conservation of our solid fuel resources by enabling preparation plant operations to achieve maximum efficiency in the use of their cleaning equipment. Studies are made of the cleaning and dewatering of fine coal sizes that, in the past, have been discharged to slurry ponds and streams because of the technical difficulties of preparing a marketable product from the very fine sizes of coal. These studies will not only yield a greater return to the industry by salvaging a product formerly wasted, but will remove a serious pollutant from the streams in the coal-mining areas. A study of the washing characteristics of the coking coal deposits in the Appalachian Region has been underway for several years. When completed, the investigation will clearly delineate those coal deposits that can be upgraded to metallurgical use without difficulty, those that require intensive preparatory treatment for effective reduction of ash and sulfur impurities, and those deposits that are not chemically suitable for metallurgical use regardless of the method of cleaning. These studies will be of paramount importance during periods of national emergency when rapid expansion is essential in the production of coal suitable for coke making. Various types of coal crushers are tested to determine the type best suited for the preparation of the highest proportion of desired sizes in the crushed product based upon the coal under investigation and the use to which the crushed coal is put. The applicability of foreign preparation devices to practice in the United States is determined by test, and the results are made available to industry.

COMBUSTION

In the interest of resource conservation, the Bureau studies combustion characteristics of solid fuels in various types of fuel-burning equipment. These studies develop fundamental data on the combustion of solid fuels and determine the physical properties of coal ash and slags and their effects on heat transmission. Investigations are made on the capacity, efficiency, and performance of boilers and furnaces.

COKE AND BYPRODUCTS

To prevent operating difficulties during periods of national emergency, and to provide coke oven operators with data as to suitable sources of coal for making metallurgical coke as the better coking coal beds become depleted, the Bureau has been conducting a continuing study of the carbonizing characteristics of the

known minable coking coals of the Appalaehian Region. Basic principles of coking are being determined in terms of engineering and operating variables. A complete understanding of these principles may permit the manufacture of an acceptable metallurgical coke from inferior and lower rank coals. Correlation of data obtained in earlier coking studies is underway to investigate possible relationship between the chemical and carbonization properties of coal. In cooperation with the anthracite and the steel industries, the Bureau has initiated an investigation into the use of anthracite in the metallurgical field. Tests are being conducted to determine the effect of anthracite in the blast furnace in mixture with coke and as the sole source of carbon.

RESEARCH ON LOW-RANK COALS

In cooperation with several large industrial companies, the Bureau has designed a prototype carbonizer based on processes developed in the Bureau laboratories for the fluidized drying and low-temperature carbonization of low-rank coals. In the carbonizer, the dried fuel is heated in a vertical moving gas stream to about 900° F. and a mixture of char, gas, tar vapor, light oil vapor, and water vapor is discharged. The char is being used for electric power generation. Studies are underway to characterize the low-temperature tar so that end uses and realization values can be developed for the low-temperature tars and products therefrom. This material is quite different from the tars obtained in coke oven operations and end uses must be developed because the raw material has not been available previously. Problems of safe storage for subbituminous coals and lignites are investigated. Fundamental physical and chemical properties of lignites are determined including tests of various types of crushing and screening equipment. The test results point out the type of equipment best suited to the peculiar properties of lignites.

COAL-TO-OIL-RESEARCH

In the field of synthetic fuels, the Bureau is conducting research and pilot plant work to determine the mechanisms of coal hydrogenation, to develop catalysts, and to determine the effect of variables on the hydrogenation process. Using high temperatures, the Bureau developed a hydrogenation method that gives promise of yielding a high-quality aromatic gasoline with a minimum of heavy oils, asphalts, and unconverted coal. In the gas synthesis or Fischer-Tropsch process for the production of synthetic fuels, the Bureau is conducting pilot-plant and bench-scale studies directed toward improvement of catalysts and development of new processes. Significant advances have been made in the development of mechanically strong catalysts that favor production of liquids and remain chemically active for long periods.

COAL-TO-GAS RESEARCH

Intensive research and development work is being conducted on the gasification of pulverized coal with steam and oxygen to make synthesis gas, hydrogen, or high-B. t. u. gas. The mechanism of gasification is studied, particularly the effects of temperature, particle size, and composition of gases on the reaction. An effective method for the removal of carbon dioxide from synthesis gas has been developed, and studies are underway on methods for the removal of hydrogen sulfide. Having demonstrated the feasibility of gasifying coal with steam and oxygen at atmospheric pressure, the Bureau more recently has directed its work toward a process of gasifying coal at elevated pressure. Such a process is believed to be more economical than conventional gasification at atmospheric pressure because the cost of compressing gas is saved in processes that are conducted at elevated pressures.

Underground gasification of coal is being conducted at Gorgas, Ala., in field-scale experiments to develop a low-cost process for producing chemicals, heat, or power. In collaboration with industrial firms, the Bureau has been experimenting on methods of establishing underground passages in coal beds and of gasifying coal by passing air or other gases through these passages. Three methods of establishing gasification patterns underground have been tested, with successful production of a producer-type gas from all three. Present investigations are being directed to improving control and gas quality.

CHEMICAL AND PHYSICAL PROPERTIES OF COALS

The Bureau aids the Government, the coal industry, and the public through research and analytical services on the chemical and physical properties of coal. It has been instrumental in developing standardized methods of analyzing coals and establishing rank classification of coals. Its pioneering work on coal petrography has been invaluable in proper identification of coal beds. Its published analyses of coals are the major source of information in this country on analyses of coals by States and beds. Its published analyses of mine and delivered samples of coal are used by the Government as well as by industry, in purchasing coal under specification. Research to develop new and improved coal analysis techniques and to provide new and less expensive methods of treating boiler water has resulted in substantial savings to the Government far exceeding the cost of this research.

STATEMENT FILED BY TOM PICKETT, EXECUTIVE VICE PRESIDENT, NATIONAL COAL ASSOCIATION

The coal industry is not necessarily a fatally sick industry, but rather its economic health is temporarily seriously impaired. Because of the tremendous conflict of energy supply available from coal, oil, natural gas, waterpower and electricity, plus the modern development of atomic power, attrition in the coal industry goes on. The tragedy of displaced workmen stalks every coalfield in the country. Coal communities see their only sources of livelihood wiped out. Plant after plant is closed (the dismantling of a single plant frequently eliminates the jobs of as many as 800 miners).

The problems facing the coal industry have been long realized by the mine-owner and workers. In efforts to meet these threats to its very existence, the coal industry has resorted to increased mechanization and most modern production methods. Coal producers have invested millions of dollars to improve mining methods and the quality of its products. Production of coal per man-day has increased from $4\frac{1}{2}$ tons 20 years ago to more than 9 tons in 1954. In this same 20-year span, mechanically loaded coal increased percentagewise from 12.3 to 79.6 and mechanically cleaned coal increased from 9.8 to 52.9 percent. The effect of this modernization and progressive operation has been to lower the price of the product at the mine to an average of \$4.82 a ton in 1954 which is 17 cents cheaper per ton than the price obtained in 1948.

To be sure, over the past quarter of a century coal's markets have dwindled dramatically. More than one-third of its former outlets have been lost to oil and natural gas. However, some of coal's markets, particularly in the generation of electricity and the making of steel, have expanded. At this moment, coal provides 66 percent of the fuel for electricity's steam plants.

The chemical byproduct market is consuming more and more coal. A wide range of chemical products essential to the physical and economic well-being of our Nation are made from coal. Until recently these chemical products were derived from tars and vapors distilled in byproduct coke ovens. Because of the rapid decrease in the number of byproduct coke plants last year, an individual company closely allied with the coal industry built an \$11 million plant in West Virginia to produce basic substances used in chemical manufacture directly from raw coal.

One of the most promising aspects of the future of coal markets is the way the coal industry itself is devoting more and more time, money, and effort to research. This research is being carried out on two fronts: (1) Exploring completely new ways in which bituminous coal can be utilized, and (2) developing further improvements in methods and machines for mining coal more economically, faster, and in greater volume.

Basic research is being carried on by the coal industry through an agency called Bituminous Coal Research, Inc. This is supported by all segments of the coal industry. It is currently carrying on experimental projects in the following fields:

Developing markets in the concrete construction industry for fly ash from coal-burning industrial plants; perfecting a new fully automatic coal-burning heating plant for homes; perfecting a coal-fired crop-drier for use in curing farm crops; developing a smokeless, trouble-free commercial coal-burning boiler; developing combination furnace and coal stoker in package form for home use; developing devices to be used in industrial boilers to increase efficiency and eliminate smoke; working with electric power industry in developing more efficient use of coal in electric generation; discovering and perfecting new chemical derivatives from coal; experimenting with processes for briquetting fine coal for home use.

In addition, the coal producers together with railroad companies and other interested parties are contributing annually great sums of money to the locomotive development committee for the purpose of developing a coal-fired gas turbine locomotive to compete with diesel motors. Aside from its use in locomotives, a gas-turbine engine will also have a very significant application in stationary powerplants and other new uses.

In addition to industry-sponsored and cooperative research projects, individual companies in the coal industry, and in industries directly allied with coal, have carried on their own experimental work. The fields covered by these experiments include synthesizing coal for the purpose of producing petroleum and petro-carbon chemicals; underground gasification of coal to be piped from the mine to the consuming plant; development of a system of transporting coal in liquid suspension via pipeline and other similar projects.

The coal industry's research has been progressive. Its achievements in advancing productive efficiency have been spectacular. The dividends have accrued to industry generally—a ton of coal per ton of steel; less than a pound of coal per kilowatt-hour of electricity; therein lies the lifeblood of America's industrial might today and tomorrow.

The coal industry has not confined itself to research and study in technological fields. The National Coal Association, as well as other industry trade groups, have cooperatively and individually conducted energetic coal promotion programs designed to bring coal's advantages to the attention not only of the plant owners who buy the fuel but also of architects and engineers who design the plants and write specifications for construction. Advertising, sales aids, and field leadership are among the tools used. Reinforcing the coal industry sales power, close cooperation has been developed with the manufacturers of coal-burning and handling equipment and the principal coal-carrying railroads. Marketing assistance is supplied in both the domestic and industrial fields. Producers have worked closely with the wholesale and retail segments of the coal industry in sales training programs and other service functions to make coal not only the cheapest fuel available but also the most desirable.

Market research is another activity in which the coal industry, cooperatively and through its individual components, participates. Numerous surveys have been made of both public tax-supported institutions and privately owned enterprises to show typical instances of superior utilization of coal and modern equipment. The coal industry, through the National Coal Association, maintains a staff of field men engaged in sales engineering work in the principal coal consuming areas of the country.

The progress of the coal industry in its self-help efforts has been phenomenal. It must be realized that the bulk of small producers in the coal industry lack the financial resources for intensive research or the costly facilities such as is possible in industries that are directly competitive with coal for our Nation's energy markets. Basic to all other considerations is the fact that coal is an extractive industry; it does not transform, fuse or change the shape of its raw material or combine with another. It lifts it from the ground, readies it by cleaning and sorting and delivers it to the market. Mechanization cannot do anything new or different to the product, it simply reduces the cost of effort involved and thus makes the product more competitive with the laborless fuels with which it must compete in the market places.

Coal satisfies the most important needs of our country. It is produced in 27 States and Alaska. It is absolutely essential for the powering of our Nation's economy, whether in peace or war. American coal producers have never yet failed to meet the challenge for necessary coal in every national emergency. This Nation cannot take for granted that a crippled industry could thus respond unless an adequate going industry, properly manned and equipped, is available for expansion in this mechanical mining age. The Nation's welfare and security demand that the coal industry get proper scrutiny by Government to the end that appropriate policy changes be effected—eliminating legislative and procedural practices or policies which either cause obstacles to coal or grant advantages to its competitors. In this way only can the coal industry's own efforts meet the challenge of not only emergency but normal requirements and no longer will it be impeded by factors beyond its control.

SENATOR HOLLAND. I have been advised that there is an official from the Department of Health, Education, and Welfare who has to get away and who presumably we would like to hear before he leaves. Mr. Schottland, are there others here who have to get away?

We have also the administrative assistant for Mr. Clements and I understand that he has a written statement.

STATEMENT OF FRANKLIN B. DRYDEN, ADMINISTRATIVE ASSISTANT TO SENATOR CLEMENTS

Mr. DRYDEN. I talked to Senator Clements on the phone this morning. He is in Kentucky on rather urgent business and has asked me to extend to you his apologies for not being here when this bill is being considered.

The Senator is familiar with the amendments which have been added to H. R. 2851 by the House Agriculture Committee and that he wants the subcommittee to know that, if in their judgment, the bill as reported by the House committee appears to be a better bill, certainly he would favor their consideration of it.

As you were talking to your previous witness, I made a note I think Senator Clement would like to have placed into the record. One was the reference to the endorsement of the bill by the agencies in Kentucky. This bill has been approved, in fact, it has been encouraged by our commissioner of agriculture in the State and welfare agencies that have operated the program throughout the counties.

The bill specifically provides that to the total fullest extent possible, any processing that might take place with reference to the various grains, would be handled through private facilities, Congressman Jennings already has commented on the bill. I would just like to present this for the record.

Senator HOLLAND. It will be included in the record.

(The statement is as follows:)

STATEMENT FILED BY HON. EARLE C. CLEMENTS, A UNITED STATES SENATOR FROM THE STATE OF KENTUCKY

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to bring you this morning background material and related information bringing about the initiation of S. 661 and its introduction in the Senate by myself and my colleagues.

S. 661, if enacted, would provide broad authority to the Secretary of Agriculture to distribute wheat, corn, and other food commodities in processed and packaged form to the unemployed in the United States, their families, the school-lunch program, institutions, and welfare agencies.

Under the present policies of the Department of Agriculture, as promulgated by the Secretary in accordance with his interpretation of existing statutes, there are currently being distributed in existing programs mentioned heretofore the following food commodities: Butter cheese, nonfat dry milk solids, shortening, dried beans, and rice. Notably absent from this list are the various types of flour and cereals.

In January of this year in the company of Senator Barkley, Congressman Carl Perkins, representing the Seventh District of Kentucky, and Agriculture officials of the Commonwealth of Kentucky, I attended a conference with employees in the Food Distribution Branch of the Department of Agriculture for the purpose of urging the inclusion of packaged flour in the distribution program being carried out by that agency. In the course of the conference we were informed that the Department did not believe it had the authority to operate such a program. S. 661 was, therefore, introduced to clarify the authority of the Secretary of Agriculture in this field. By providing definite authority to pay processing costs, this bill would thus permit the distribution of wheat and corn in the form of flour and meal, respectively, under the Department's distribution program.

I will not dwell at length upon the unemployment picture today as it exists in the States of Kentucky, Alabama, West Virginia, Missouri, Pennsylvania, Indiana, Illinois, and South Carolina, States represented by the sponsors of the measure,

other than to note that in this period of oft publicized prosperity these States have localized unemployment problems comparable to those of depression days. The situation in the Commonwealth of Kentucky with respect to unemployment has long since reached alarming proportions with no visible and ready solution. This can be best demonstrated by the fact that in January 1953, there were no group IV, or substantial labor-surplus areas, as defined by the Secretary of Labor in the State. As of May 1 this year there are 30 counties in the Commonwealth, out of a total of 120, which have been certified by the Secretary as being within group IV areas.

With continued unemployment over many, many months those eligible for unemployment compensation will exhaust this means of support. I am advised that the total number of Kentucky claimants exhausting such benefits during the calendar year 1954 was equal to 8 percent of all the workers covered by the unemployment insurance in the State.

The direct correlation between this unfortunate picture and the distribution programs carried out by the Department of Agriculture can easily be illustrated by noting that as of May 1, in Kentucky, 237,925 persons were certified and receiving food under the program. A year ago the approximate number of recipients amounted to 135,000.

This is a nationwide problem, particularly centered in the States represented by the sponsors of S. 661, as shown by the latest figures made available by the Department to the effect that on the 1st of April 3,387,810 persons were eligible under the program, corresponding to 729,901 a year ago.

Mr. Chairman, for the greater part, the people involved in these statistics are dependent for their very existence at the present time upon the distribution of the commodities mentioned heretofore. No better picture of the situation existing in many areas of Kentucky and adjoining States sorely affected by unemployment could be painted than by the remark made by a representative of the Food Distribution Branch this week after returning from the bituminous coalfields of eastern Kentucky, when he stated: "Never have I been so distressed in the many years I have worked among needy persons than I was in my current tour of the counties in the eastern Kentucky coalfields this past week. The picture is appalling, with little hope for immediate recovery."

From this résumé we can see that the food-distribution program has been the literal lifesaver to these peoples. However, the failure of the Department of Agriculture to distribute processed grains along with other staples is inexcusable. Some may term the program a "relief program." In my estimation it far exceeds the criteria of a relief program—it is an effort by the more fortunate people of the United States to sustain their less fortunate counterparts through a trying period, maintaining their health and morale until a solution is found to their problems. All of us are aware of the health-giving qualities of the foods under distribution, but none would deny the need of breads and cereals for a balanced diet. The large quantities of wheat and corn owned or under loan by the Commodity Credit Corporation offer a ready solution.

As the subcommittee doubtless knows, an amended version of S. 661 was approved by the House Committee on Agriculture a few days ago and is momentarily expected to be reported. This bill, H. R. 2871, introduced by Congressman Jennings of Virginia, in amended form provides that the Department of Health, Education, and Welfare would be utilized as the vehicle in the processing and distribution of flour and oatmeal. Should this subcommittee determine the alternative proposal suggested by my friend from Virginia more feasible than the method proposed in S. 661, it will receive the same support I have for the measure under consideration today.

For these reasons, I urge the subcommittee to take early action in its decision regarding this proposed legislation, favorably I trust, in order that it may have early consideration by the Senate.

Senator HOLLAND. As I understand you, there is no thought on the part of the introducers of this bill to set up public facilities for milling?

Mr. DRYDEN. No, sir.

Senator HOLLAND. Thank you.

I understand there is another Congressman here. I am sorry I did not know you were here.

Congressman Bray of Indiana, we will be glad to hear from you.

STATEMENT OF HON. WILLIAM G. BRAY, A REPRESENTATIVE IN
CONGRESS FROM THE SEVENTH DISTRICT OF INDIANA

Mr. BRAY. I am William G. Bray from the Seventh Indiana District. Our situation in Indiana as to unemployment I would not say is generally bad. We have spotty areas in western, southwestern Indiana that is principally the result of depressed coal mine situation. My interest in the matter has been more from the general need for such legislation. I was president of the department of public welfare in my own county and have kept abreast of this surplus-food program. In fact, the last week of December I had a meeting with certain interested parties and with the head of the Indiana State Department of Public Welfare. We went into this general problem of distribution and the "bugs" we had found in the program. There are about three areas in Indiana where there is material need for surplus food and where we are using this program. We are using it in more than in these 3 areas but in 3 areas it is rather serious. I do think that this is a good bill. I am not too familiar with the wording of the Senate bill, but I presume it is somewhat similar to the House bill. I did stop at the document room and got the report which has just been published on the House bill.

It might be of some interest to you.

Senator HOLLAND. That has likewise been made available to us.

Mr. BRAY. First, I heard that the report was not available yet, however I stopped by and did get some copies.

Senator HOLLAND. Thank you very much.

Mr. BRAY. I can see nothing wrong with the policy of this bill. It is inconceivable that people would be hungry in a country where our main problem is surpluses. I would not want to do anything to stop the proper distribution of foods. I would not want to see the Government enter into the milling business. I know that is not contemplated. It is merely adding another product, wheat, which is a product for making bread which is very necessary.

I know but of one instance in my State where the surplus foods program has been improperly used in recent years. There was one instance where it was. It was caught very rapidly and quickly changed by the department of public welfare. I do believe that it is well to work out this program in a practical manner so it can be utilized when and where needed.

We can find out the bugs in it because there might be some. We hope it will not happen there will be great need for this in the country. I do believe that the general plan of this bill is excellent and very worthwhile. In no way incompatible with our general American philosophy of economics which I am very much in favor of.

Senator HOLLAND. Let me ask you this, you say there are 2 or 3 areas in your State where the surplus food distribution is needed.

Are they areas of coal production?

Mr. BRAY. Generally, yes. In fact, every instance but one that is true.

Senator HOLLAND. What is the other?

Mr. BRAY. I think there was a difficulty in Evansville. I know something about it. It is out of my district. But I believe that situation is taken care of now. Evansville was pretty badly hit

after the war. But on the whole, the coal-mining areas, west and southwestern, Evansville in the Southwest——

Senator HOLLAND. What was it that caused the situation there?

Mr. BRAY. It was just general unemployment in factories in Evansville. I am not too familiar with it.

Senator HOLLAND. Thank you, sir. Any question, Senator Aiken?

Senator AIKEN. No.

Senator WILLIAMS. No.

Senator HOLLAND. Mr. Schottland is here, who is Commissioner of the Social Security Administration, Department of Health, Education, and Welfare. I understand he has to leave very shortly. So Mr. Schottland, we will hear you now.

**STATEMENT OF CHARLES L. SCHOTTLAND, COMMISSIONER,
SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE**

Mr. SCHOTTLAND. Thank you, Senator. I am appearing here on behalf of Secretary Hobby and I have with me Mr. William Mitchell, the Deputy Commissioner.

With reference to the bill which is S. 661, the only bill before you now, we have little to contribute because the problem of processing of cereals or wheat and declaring flour to be a surplus commodity is not within our area. We are appearing here upon request because of the House version which has been presented to you or which may be before you at some time and which does involve the Department of Health, Education, and Welfare. This bill as reported out of the House committee which we have not seen in its printed form but just in typed form, does provide that surplus commodities shall be made available to the Secretary of Health, Education, and Welfare and that those commodities shall be distributed by the Secretary upon certification of the Secretary of Labor that a particular area is a surplus labor area, and also upon certification of the governor of the State that there is acute distress in the particular area.

On that basis we would then distribute the commodities and provide for reimbursement of the cost of processing and the cost of the commodity, to the CCC. An appropriation is provided for that in the bill.

Senator HOLLAND. Is there any difference between that provision and the provision by which the surplus food commodities are now distributed by the Welfare Department to the various States?

Mr. SCHOTTLAND. Yes; there is a substantial difference. It is for that reason as well as others, that we have a number of questions with reference to the House version. You see what would happen under this House version is that it would set up two separate, in effect, Federal agencies distributing surplus commodities.

Commodity Credit Corporation and the Department of Agriculture now have a system of distribution. The foodstuffs go to schools and institutions and, in some 34 States, arrangements have been made to distribute them to persons certified by welfare departments as needy.

A little less than 3½ million persons now receive surplus commodities based on the classification of being needy.

Senator HOLLAND. How do those surplus commodities, let us say, dried milk, go out of the Commodity Credit Corporation to the ultimate consumer, the person who is in distress.

Mr. SCHOTTLAND. Different States have slightly different arrangements, but the pattern is usually something like this.

Take the State of California, the department of education is the largest user of surplus commodities through the school lunch program.

So the local welfare departments arrange with the department of education, they serving as the agent of the Federal Government, to see to it that a certain percentage of foodstuffs is shipped to them for distribution to needy persons. That is more or less the pattern in the States.

Senator HOLLAND. In other words, the CCC delivers the surplus foods to the department of education of the State and the State then distributes down to the county or local levels.

Mr. SCHOTTLAND. Theoretically, yes. I think what actually happens is that the department of education gives the order for the shipment and the shipment is made directly to central points of distribution.

Senator HOLLAND. You are speaking of course about the school lunch program. What about the distribution to distressed and unemployed persons?

Mr. SCHOTTLAND. That is spotty throughout the country. Some 34 States have made arrangements to distribute the surplus commodities to needy persons, but in many States only a few counties have taken advantage of it. Some States do not wish to distribute surplus commodities. In some of the 34 States, only a few of the counties have taken advantage of the program.

It is quite spotty throughout the country. The thing that concerns us about the House version is that we would have these separated, these two Federal agencies, both involved in distribution of surplus commodities. The CCC through its present channels, and the Department of Education and Welfare under this new arrangement.

Senator HOLLAND. In other words, the House bill as you understand it, does not channelize all surplus food commodities which would move from them to the distressed areas to go through the welfare agencies but instead retains the present distribution of surplus food commodities other than those which would be covered by this bill in other channels than the welfare agency?

Mr. SCHOTTLAND. That is correct. As we understand it, we would receive under the House bill only those surplus commodities that would be distributed to needy persons in accordance with the definition established in the bill, and other surplus commodities we would assume would remain within the province of the CCC. That is our understanding of the House bill.

Senator HOLLAND. Your criticism of that is that there would be duplicate Federal services, (1) distributing all surplus food commodities in the hands of the CCC, except the cereal commodities, and (2) distributing the cereal, the processed cereal commodities?

Mr. SCHOTTLAND. Yes; Senator. Although I understand according to the House bill we might also distribute other surplus commodities. It is not limited to the cereal commodities. We might distribute all surplus commodities as a matter of fact. We could under the House version.

SENATOR HOLLAND. But it does not negate the right to continue the present distribution by the CCC of other surplus commodities than the cereal commodities.

MR. SCHOTTLAND. That is right. It would be essential that these two—that there be these two methods of distribution because these would be only able to distribute to persons, (1) in an area that had been certified as a surplus labor area by the Secretary of Labor, and (2) where the governor had certified that there was acute distress.

Surplus commodities are now being distributed by the Department of Agriculture to many areas that are not areas of acute labor surplus.

SENATOR HOLLAND. Under what standard is it now determined that surplus food commodities can be distributed by Commodity Credit Corporation?

MR. SCHOTTLAND. I think the actual distribution is by the Food Distribution Division of the Department of Agriculture. The Department of Agriculture is represented here. They are able to answer that better than I. They may make distribution for school lunches and special institutions, where there is need for the surplus commodities but it is not necessary that it be in an area of labor surplus.

SENATOR HOLLAND. Of course, we understand that the distribution of the school lunch commodities and of the commodities which move to institutions, public institutions, is different from what is involved in this bill. Are you saying that the general distribution of surplus food commodities other than under the school lunch and institution program, is now being made by the CCC as or on a broader basis than that laid down by the House bill?

MR. SCHOTTLAND. Yes, a much broader basis, because any State or local community that wishes to enter into arrangements whereby they will distribute to needy persons can work out arrangements for the distribution of present surplus commodities. Some 34 States have done so. In this House version many persons now receiving surplus commodities who are in need might be denied surplus commodities that they are now receiving because they might be in an area that the Secretary of Labor could not certify as an area of labor surplus. They make these determinations every 2 months, the Department of Labor does, that is as I understand it. There are 2 or 3 difficulties involved. First they make certifications in urban areas not in rural areas. The situation changes from time to time. The same individuals may be in need but the area in which they live might be a surplus labor area one month and not the next month. There are also a number of other factors that we are concerned with, with reference to this bill.

SENATOR HOLLAND. To get your point on this question before you leave it. You think that whatever form this legislation takes it should not contain language which will result in two competing Federal agencies distributing to distress clients?

MR. SCHOTTLAND. Yes.

SENATOR HOLLAND. Distributing the surplus food commodities that we have talked about?

MR. SCHOTTLAND. Yes. We think that Agriculture which has been distributing surplus commodities for so many years is in a position to continue the distribution, the same way they have in the past. It has worked well, we think from our standpoint in connection with

distribution to the needy in those areas where the local and State governments have taken advantage of the surplus commodities.

Senator HOLLAND. You want the relationship to be directly between the Department of Agriculture and the welfare agencies in the local areas, is that it?

Mr. SCHOTTLAND. We think that is the only way, sir, that it can work, through the States and localities.

Senator HOLLAND. Any questions?

Senator AIKEN. No. I think we have had some interesting observations. As I understand it, under section 202 (e) of the act of 1954, the Secretary of Agriculture is authorized to support the price of milk through the purchase of the milk, itself.

Under the House amendment the CCC would have authority to bottle that milk, but your department would have to take it from the bottling plant and distribute it. It would be a little bit cumbersome, I think, as the witness has said to have two agencies mixed up at one and the same time.

Mr. SCHOTTLAND. That is correct. In addition to that, we are in another situation. We work only through State agencies. Therefore, we would have to look to the State agencies for the distribution. We do not have any facilities of our own for distribution. In many cases even those States that have made arrangements for the distribution to needy persons of the present surplus commodities, have refused to have any State distribution system. The State has not wished to get involved in the situation because of the tremendous cost and difficulties of warehousing and transportation and so on.

We would be entirely dependent upon the States for such distribution.

Senator WILLIAMS. Under your existing programs for Federal assistance, do you have any in which the Government contributes all of the cost or do the States participate in it?

Mr. SCHOTTLAND. The States participate in all of the present public assistance programs. There is a formula of Federal contribution, it is a matching formula depending upon the particular program.

Senator WILLIAMS. Assuming that the committee decided to go along with the House version, just assume that they turn all of it over to your agency, would there be any conflict between your handling of this problem where this would be all free and the other programs?

Mr. SCHOTTLAND. Well, our regular programs are entirely cash programs, that is, persons receive money payments. Surplus commodities as they have been distributed in the past have been clearly set forth as being over and above the cash payments and not to be considered as part of the public assistance given.

Senator WILLIAMS. Are they available only to those receiving public assistance or are they available to others?

Mr. SCHOTTLAND. They are available to others. As a matter of fact, of the needy persons the latest figures I believe are that some 3,400,000 needy persons are receiving surplus commodities but only about a fourth or less than that are receiving public assistance. In other words, there are needy persons who may not be eligible to public assistance because of residence requirements or for other reasons.

Senator WILLIAMS. Do you think it would help or hinder the program under your agency, if we incorporated a provision providing some formula for State contribution toward this distribution?

Mr. SCHOTTLAND. I would have grave reservations as to whether it would work on that basis. I doubt very much whether States would be willing to make any kind of substantial contribution to this program because I think their inclination would be to say if they are going to put up cash for surplus commodities which they have never done, they might as well put up cash to take care of the people directly.

Senator WILLIAMS. I was just asking a question. I was wondering if in fact the commodities were made available to them at greatly reduced prices whether you would advise some formula for State contribution, regardless of what percentage it might be, or do you recommend that the contribution be made entirely by the Government?

Mr. SCHOTTLAND. We have not had a chance to think that one through. I do not know offhand what our reaction would be. We would be concerned, I think about any kind of a matching Federal-State formula for surplus commodities.

Senator WILLIAMS. I was not figuring on replacement. I was just figuring on some formula that could still work in conjunction with the other programs.

Naturally no State or county will be reluctant to ask for these grants, if 100 percent of the cost is paid by the Federal Government. No doubt there is a need in many areas and we want to meet that need. However, I wondered whether you felt we could get more community responsibility if we had some State or community contribution.

Mr. SCHOTTLAND. I would not think so, offhand. I think that the communities handling the program take their responsibilities very seriously. The many who have not taken advantage of the program, I think, would be increased. Many more would not take advantage of it if they had to make a contribution. With reference to the economics, that would be a problem for the Department of Agriculture. It does raise some question.

Senator WILLIAMS. Then your recommendation would be that wherever it is handled, it be 100 percent Government paid?

Mr. SCHOTTLAND. It would seem to us that would be the best system. I would like to make one more comment. I would like to enter one more objection to this thing. I think that it is so complicated—the House version—I do not know how we can operate it very successfully.

We would have to have every second month, the certification of the Secretary of Labor, the certification of the Governor, and these areas would be going in and out of surplus labor areas, and many persons now receiving surplus commodities would find themselves one month in a surplus labor area and one month outside. So that it does present some very serious mechanical administrative difficulties.

Senator HOLLAND. Is it your understanding that this legislation does or does not permit, of processing the grain down to the point of actual baking of the bread and distribution of the surplus in the form of bread products, rather than flour and meal?

Mr. SCHOTTLAND. It is my understanding that the proposal does provide for complete processing and packaging up to the finished flour product. That is my understanding of the House version, but I may be mistaken on that.

Senator HOLLAND. Does that mean up to the baking of the bread?

Mr. SCHOTTLAND. No; not the baking of the bread. Just the processing of the flour.

Senator HOLLAND. Are there any words of limitation in there that would limit the processing at the point of distribution to flour and meal?

Mr. SCHOTTLAND. I do not think so. The words are "processing, reprocessing, packaging, transportation, and handling."

Senator HOLLAND. Of what?

Mr. SCHOTTLAND. Such agricultural commodities or products including cereals and cereal products.

Senator HOLLAND. That wording would be broad enough to cover the baking of bread and distribution as bread or the making of breakfast foods of one kind or another and the distribution of those in the form of cereal foods, would it not?

Mr. SCHOTTLAND. Yes.

Senator HOLLAND. Thank you.

We will next hear from Mr. Riley.

STATEMENT OF GEORGE D. RILEY, NATIONAL LEGISLATIVE COMMITTEE, AMERICAN FEDERATION OF LABOR

Mr. RILEY. I have a statement that I have submitted for the purposes of S. 661 which we believe, if properly amended, will make this a very workable bill and fill the human need in a land of plenty.

Senator HOLLAND. I notice your statement refers to the production and distribution of flour and meal?

Mr. RILEY. Yes, sir.

Senator HOLLAND. Did you have in mind that the Federal agencies could go so far as to convert the flour and meal into bread or cereal products?

Mr. RILEY. No; we were merely going along with the spirit of the bill there to give the intermediate product which would be corn meal or flour and let the consumer take it on from there.

Senator HOLLAND. In other words, you did not have in mind going beyond that point, which, of course, would have some impact upon the processing and the processors of the prepared bread products?

Mr. RILEY. That is right. It could create some dislocation which we would not suggest, unless we stopped at this point and supplied the material for making the bread.

Senator HOLLAND. If the wording of the bill is so broad as to go so far as my questions have indicated, you would want it limited so as to permit the distribution of the agricultural cereal products in the form of flour and meal?

Mr. RILEY. Yes.

Senator HOLLAND. Thank you very much.

Mr. RILEY. Thank you.

STATEMENT FILED BY GEORGE D. RILEY, NATIONAL LEGISLATIVE COMMITTEE,
AMERICAN FEDERATION OF LABOR

The American Federation of Labor is concerned over the welfare of hungry families in this country. We support the purposes of S. 661 and ask for whatever amendments are necessary in order to prevent further suffering in this land of plenty.

I am sure that each sponsor of this bill can give interesting facts on what unemployment is doing to human beings in various sections of the United States just now.

As we understand the situation, while bread grains have a high barter value in the marts of the world, basically at least wheat and corn would produce flour and meal for families of unemployed in the States, at least under the provisions of the House committee-revised version of a similar bill H. R. 2851 which has been ordered reported.

And that further, the Department of Health, Education, and Welfare would have active administration of the program since it has closest relations with welfare organizations at the grassroots levels. Whatever foods held by the Commodity Credit Corporation and declared surplus could be requisitioned by the Secretary of HEW and distributed to the regions where unemployment is declared by the Department of Labor to be at low ebb.

Whereas some of this type of relief has been permissive, we believe that this bill amended in much the same form as the Jennings bill in the House committee can do a real job where necessity is greatest. I can mention one congressional district where some 10,000 persons stand ready and desirous of going to work, but with no work to go to and with some 68,000 dependents wondering how they are going to subsist.

There are some districts where butter is being distributed in generous quantities, but there is no bread on which to spread it. Malnutrition is not in the American tradition.

If it is found that flour, rice, meal, butter and cheese fail to provide the required variety in the diet, there are some interesting statements in a report to the Congress dated last month and titled by the Commission on Organization of the Executive Branch of the Government as "Food and Clothing in the Government." The task force on this subject has found that the Navy has foods on hand as follows:

<i>Stock</i>	<i>Enough on hand for--</i>
Canned hamburger	60 years.
Canned beef and gravy	7½ years.
Canned ham chunks	7¼ years.

NOTE.—Navy's Bureau of Supplies and Accounts Manual states that the estimated "keeping life" of canned meats and poultry is 24 months at an average temperature of 40° F. and 12 months at 90° F.

Since no explanation appears to have been made for stockpiling 60 years' supply of canned meat, it might be well to take a good look at these supplies and to put them into the channels to relieve the suffering of hunger among civilians in distress areas, as well.

As I read S. 661, it is not clear whether the bill is in the form of permanent legislation. If there is doubt that its provisions will be permanent I suggest language be strengthened to make it so. Occasions such as exist at present will arise continually as a result of the ebb and flow of employment.

The views of the New York Federal Reserve Bank on the United States economy are important. The bank says there are still "problem areas" and that the likelihood of cutbacks in automobile and steel output and a possible slackening of construction activities "further cloud the economic horizon." The bank adds that:

"These uncertainties, while significant, may perhaps diminish in importance with the passage of time and a further broadening-out of the recovery."

This report adds further emphasis to the need, in my opinion, to make this legislation permanent.

Senator HOLLAND. We will next hear from Mr. Walter C. Berger, Associate Administrator of the Commodity Stabilization Service, accompanied by E. Shulman and Mr. Koenig and Clifford Pulvermacher, together with Mr. Howard Davis, of the Food Distribution Division, AMS.

We will be glad to hear from you.

**STATEMENT OF WALTER C. BERGER, ASSOCIATE ADMINISTRATOR,
COMMODITY STABILIZATION SERVICE, AND HOWARD P. DAVIS,
ACTING DIRECTOR, FOOD DISTRIBUTION DIVISION, AGRICUL-
TURAL MARKETING SERVICE, UNITED STATES DEPARTMENT OF
AGRICULTURE**

Mr. BERGER. Mr. Chairman, I have a prepared statement here. I would like to read that first and make it a matter of record and then will be glad to discuss some of the questions that have come up so far.

I very much appreciate the opportunity to appear before this subcommittee to discuss the provisions of S. 661 relating to the payment of processing costs in connection with the donation of surplus commodities.

This bill would amend the surplus commodity donation authorities provided in sections 416 and 407 of the act of 1949, as amended. Specifically, it would provide the CCC with authority to pay the cost of processing CCC-owned commodities into a form suitable for home and institutional use.

Section 407 now authorizes the CCC to make available any farm commodity for relief use in areas declared by the President to be in acute economic distress, or in connection with any major disaster deemed by the President to warrant Federal assistance. This donation authority was provided by a provision of the Agricultural Trade Development and Assistance Act of 1954. No Presidential declaration authorizing such donations has yet been made under section 407.

In order to prevent the waste of commodities acquired under price-support operations, section 416 authorizes the donation of food commodities to agencies of the various States for use in nonprofit school-lunch programs, in charitable institutions and by needy persons in this country. Donations also may be made to United States private welfare agencies and intergovernmental organizations for the relief of needy persons overseas. Section 416 also authorizes CCC to pay the costs of reprocessing, packaging, transporting, handling, and other charges incurred in delivering the commodities to central receiving points within the States or to points of export.

Authority for CCC to incur such costs under section 416 was requested by the Department last year and was authorized by another provision of the Agricultural Trade Development and Assistance Act of 1954. As a result of that liberalization of section 416, together with other factors, the distribution of surplus foods has increased sharply. Donations will total approximately a billion pounds of food products this fiscal year, an increase of over 70 percent compared to the preceding year. The value of the commodities donated is expected to exceed \$350 million.

Senator HOLLAND. You mean just domestic?

Mr. BERGER. That includes both.

The next paragraph explains that.

About 13.7 million persons in this country are now benefiting from the donation of surplus commodities. In addition, through the efforts of 17 United States private welfare agencies and intergovernmental organizations, such as the United Nations International Childrens' Emergency Fund, our surpluses are being used to relieve hunger and want in 53 foreign countries.

We now estimate that this fiscal year, nearly half a billion pounds of surplus foods, valued at about \$159 million, will be made available to school-lunch programs, charitable institutions, needy Indians on reservations, and other needy persons and families in this country.

In addition, distribution under section 416 to needy persons overseas has been substantially increased. This year, we anticipate such distribution will reach 550 million pounds, 3 times the volume so distributed last year.

Senator HOLLAND. Do I understand from what you have just said that your present estimate of this year's distribution under the provisions of Public Law 480, that are applicable to distribution for needy persons, will reach in this Nation about \$159 million in value?

Mr. BERGER. Yes.

Senator HOLLAND. And in foreign nations enough more than that to make a total of about \$350 million?

Mr. BERGER. Yes.

Domestic recipients have been receiving a wide variety of surplus foods, including beef, butter, cheese, dry milk, shortening, cooking oils, dry beans, and rice. The canned beef distributed this year was that held over from the previous year's purchase and currently is being made available only to school-lunch programs.

Of the 13.7 million domestic recipients, approximately 10 million represent children in school-lunch programs and an additional 1 million persons in charitable institutions are being served. In February of this year, surplus commodities were made available to 2.7 million needy persons and families in 36 States. On the basis of more recent certification reports received from State distributing agencies, the number of needy persons receiving commodities in March probably is in excess of the 2.7 million reached in February.

Thus, during the past year, the Department has made very considerable progress in moving many surplus foods into consumption under its donation authorities. However, there has been no distribution of cereal products processed out of CCC stocks of wheat and corn.

Senator HOLLAND. You mean that to apply to the domestic or foreign distribution?

Mr. BERGER. Only to domestic.

Our General Counsel has held that permissive authority to pay processing or reprocessing costs under section 416 does not extend to the payment of original processing costs such as would be involved in the processing of wheat and corn into flour and meal, respectively. The purpose of S. 661, therefore, is to authorize CCC to pay processing costs and thus to provide for the donation of wheat flour and cornmeal.

Although the Department has taken many steps during the past year to distribute greatly increased quantities of surplus foods, it does not favor the donation of processed cereal products. The distribution of wheat flour and cornmeal cannot be justified on the basis of the need for disposal operation to prevent the waste of CCC-held commodities. Such distribution would be more in the nature of a welfare or relief program which is not, and should not be, a direct responsibility of the Department of Agriculture. I might add there, the commodities mentioned heretofore that we are shipping abroad in processed form, such as flour, are paid out of the foreign-aid fund.

The CCC only acts as the agency of FOA. We do not do it ourselves. We merely act as their agent to buy it and have it processed and ship it over there. We are reimbursed fully for our commodities.

The surplus commodities the Department has been making available under donation programs are, for the most part, perishable or at least not storable for an appreciable length of time. On the other hand, wheat and corn have a long storage life, and with stock rotation which we are doing now, there is no danger of significant loss or waste of CCC-owned inventories. Therefore, from the standpoint of the Department's price-support responsibilities, these stocks can be held for future sale, for barter, or for other reserve purposes.

We have other objections to the donation of wheat flour and cornmeal. The amounts of wheat and corn so moved would be very small in relation to the size of our present holdings, and in our opinion, the additional cost of a cereal donation program—including administrative cost—would not be justified by the possible increase in domestic consumption of wheat or corn, or the possible net reduction in Government stocks.

We think it will merely replace what is now being used rather than increase the consumption of wheat and corn.

We also believe that it would be impossible to donate processed cereal products without significantly interfering with normal marketings of such products. Obviously, there is little if anything to be gained in the way of reducing the size of Government inventories if the donations are accompanied by comparable, or nearly comparable reductions in regular commercial purchases.

Senator HOLLAND. Is this your point there, that the bread that would be made from flour or meal, or the flour and meal which will be made into bread in the home, would be about the first necessity of food purchased even by a needy family?

Mr. BERGER. Yes.

Senator HOLLAND. And that the substitution of a public plant as the source of supply for the bread and bread products would not substantially increase the amount of bread consumed, and would simply draw down the amount of bread that is distributed through normal commercial channels?

Mr. BERGER. That is right.

The groups eligible to receive surplus commodities are already heavy consumers of cereal products. In other words, the people who have a small amount of money are the ones that really eat the cereal products.

In the case of schools and institutions, it would be very difficult to avoid almost complete displacement of normal commercial purchases of wheat flour and cornmeal. Even among most needy persons and families, we believe that the donation of wheat flour and cornmeal would result, at best, in only a very small increase in the use of cereal products, if any, even though it might benefit a small group in the population.

As the Department sees it, the most satisfactory way to reduce CCC holdings is to obtain the market conditions that not only will reduce the need for price-support purchases but that also will permit the resale into commercial channels of inventories previously acquired. This is our ultimate goal. In the meantime, however, we believe we should take advantage of every opportunity to avoid waste by donating perishable or semiperishable foods to groups who can use them and who otherwise would not get enough of them. As is indicated by the increased volume of surplus foods being distributed, the Department is following such a course.

These products that we are now putting in there are either perishable or semiperishable commodities of which people with a small amount of money are not getting enough of and we have them in our stocks and we need to turn and move it and get rid of it.

So we are making that definite distinction between the perishable and the partially perishable or semiperishable products against those such as wheat and corn which we can carry nearly indefinitely.

In summary, therefore, in view of the objectives and purposes of the Department's surplus disposal operations, we do not favor the passage of S. 661 because:

(1) Wheat and corn are storable commodities and, with stock rotation, there presently is no danger of substantial loss or waste of CCC-owned stocks.

(2) The domestic donation of wheat flour and cornmeal cannot be justified on the basis of need for surplus removal operations.

(3) It would be difficult to avoid substantial displacement of the regular commercial marketings of wheat flour and cornmeal.

(4) The proposed distribution would be more in the nature of a welfare or relief program—not a direct responsibility of the Department of Agriculture and not a proper charge against the price-support program.

Senator HOLLAND. You were present a few minutes ago were you not, when Mr. Schottland testified that one objection the Department of Health, Education, and Welfare had to the proposed legislation was that it would leave two Federal public agencies engaged in the distribution of surplus foods and upon different standards. What observation do you have on that?

Mr. BERGER. I have with me today a man I think who is about as well posted as to how that might conflict as anybody we have in our Department.

Mr. Davis, will you discuss that? He handles our distribution of perishable commodities.

Senator HOLLAND. Before we get into that, do you have any questions you wanted to address to Mr. Berger?

Senator WILLIAMS. I think there will be. But he can go ahead and answer your question.

Mr. DAVIS. We have not had an opportunity yet to examine the final House version of the bill. However, as you phrased your question based on some of the observations that a previous witness made, I feel that he was quite right in his analysis of what this legislation would do from an administrative standpoint. As we operate the program at present, we do have agreements with all of the States. The agencies within those States with whom we have these agreements vary from State to State. As Mr. Schottland pointed out, in many States, since we have distributed the bulk of these commodities in the past to schools, the agency is the State educational agency.

In Kentucky, however, it is the department of agriculture. In other States it is a division of purchase and supplies or State purchasing agency.

Under those agreements, we make commodities available in carload lots, in processed form, at central receiving points within the States that have been designated by each State.

The commodities are made available for all eligible recipients within the State and the distributing agency arranges for their delivery

to all recipients—using the same delivery channels. The eligible recipients are: Nonprofit school lunch programs; charitable institutions; hospitals, to the extent that they serve patients free or at reduced rates; and the group we term needy persons.

The needy persons may or may not, as Mr. Shottland pointed out, be in the areas that have been designated as substantial labor surplus areas. They may or may not be in areas that might be declared by the President to be distress areas.

They are eligible because the persons themselves are needy. They include persons who are already receiving some form of public assistance, such as old age assistance, aid to dependent children, and in some places, general relief.

Thus, the needy people who are now receiving these commodities are widely scattered.

The program is administered pretty largely on a county basis within the State. If responsibility for the distribution of certain commodities were given to Health, Education and Welfare, it would mean that these State distributing agencies would have to deal with two separate Federal agencies.

It could also mean different operations within a single county. For example, the needy persons in the northern half of a county might get all of these commodities that Mr. Van Zandt mentioned and some of the others mentioned, but not flour and corn meal. In the southern part of that county there might be people who would, because they were within one of these designated areas which do not follow county lines, be receiving flour and cornmeal.

It would be very difficult for the State agency to tell needy families in the northern half of the county that they could not have flour and provide flour to needy families in the southern part of the county. So from an administrative standpoint, the provisions as they were brought out here this morning, if they are the provisions of the House version, would raise some very complicated administrative problems.

Senator HOLLAND. In either case, does the Federal agency involved, have any distribution personnel or machinery of its own in any area of the Nation?

Mr. DAVIS. We work through State governmental agencies. They, in turn, work as much as they possibly can through county governmental organizations.

Senator HOLLAND. Would this be a fair statement of your position on this that whatever the Congress decides should be done out of the surplus stores and such cereals to cause them to be processed in such form that they can go to needy citizens, that the distribution be either left in the hands of the CCC as at present, or that if that not be done, that the distribution of those which are now distributed by CCC be assigned to whatever other Federal agency is set up to handle distribution of flour and meal?

Mr. DAVIS. Yes, sir. I believe we would feel rather strongly on that. Also, it is quite difficult to separate the distribution of these commodities to needy persons from the distribution of these commodities to schools and to charitable institutions, because the same mechanics and facilities within the State are more often than not used for all three.

Mr. BERGER. I would like to add this one thing. These commodities that we are now distributing, that I have classified as perishable or semiperishable commodities, have not been accumulated by the CCC

to take care of the relief problems throughout the country. They have been accumulated because of the price support program for agricultural commodities. But because they are perishable or semiperishable, it is a way for us to get them into human consumption. So that it is used by people to the best advantage possible.

We cannot continue to carry them forever and ever in CCC stocks. It is making good use of a program that has been set up as a price support for the farmers.

Senator HOLLAND. Would it be your feeling there is just as good a case for the distribution of flour and meal, if that is going to be authorized, on the more general basis that you are already using to distribute food products as there is to distribute those products that you are now distributing?

Mr. BERGER. I do not think there is.

Senator HOLLAND. In other words, you think there is just as good a basis for the flour and meal distribution as there is for the present distribution?

Mr. BERGER. No, no, you misunderstand me, or I misunderstood your question. I reversed it the other way. I do not feel there is anywhere near the good, logical reason for processing the wheat and corn into products like flour or cornmeal or going another step, into corn flakes, and other breakfast cereals.

Senator WILLIAMS. Of course, you have this difference. You speak of the fact that these perishables were purchased under the support program.

Some of those articles which are being distributed were not purchased under the mandatory support programs but were purchased voluntarily by the Department and then distributed. For instance, the beans—there is no provision in the law which provides that you should purchase those beans. They are purchased voluntarily by the Department and distributed.

Mr. BERGER. Right.

Senator WILLIAMS. So the case on the wheat and corn is a better case than it would be with your distribution of beans, would it not?

Mr. BERGER. To that extent, I would think so.

Except the classification is one that you can carry and the other is one that you cannot.

Senator WILLIAMS. I think we had better recognize that there is some sympathetic appeal to this bill and to the proposal in general. I am wondering if it would not be better for the Department to come up with a formula such as they have been speaking of for the last 2 or 3 years in relation to all of these relief programs because we are confronted not only with this case but we have drought relief programs which are requested under a different bill.

I know there has been discussion that perhaps they can work out a formula where the States and the communities requesting the assistance could put up X percent of the cost and then let the States handle the distribution in its entirety. It would eliminate the need of a Government distribution system and at the same time the States would hesitate to misuse the commodities because they are putting up a portion of the money.

I think that local community sentiment would take care of the proper distribution in those cases. I know that the Department has expressed interest in that suggestion. The President expressed a

desire for such legislation in his message to Congress. I am wondering what your opinion would be? Don't you think that all of this should be approached and dealt with in a broad general formula?

Mr. DAVIS. I might make one observation, that under our present system of distribution, we operate more or less on an area basis, supervising the State operations to see that they conform with our legal and program requirements. The job within the State is now being handled by the State and local communities. I might add that in some States, the administrative cost of handling this program, to a large extent has been passed on to the counties. Of course, by the very nature of the program, the counties that have had to shoulder this expense are the counties that are experiencing economic difficulties. One of our problems in administering the program is to see that the State and the county do provide sufficient administrative funds to handle the program as it should be handled. To a large extent, I think that the States would argue that they are already supplying as large a contribution to the program as they can.

Senator WILLIAMS. No question but that they would argue that. The question in this particular instance, they are not contributing anything—

Mr. DAVIS. They are contributing rather substantial administrative funds.

Senator WILLIAMS. I think we should approach it from a practical standpoint. We are administering a drought program now. Assuming that we pass this bill and turn it over to the Labor and Public Welfare Department, you could have a farmer obtaining relief from two agencies at the same time. Nothing says that a farmer would not be eligible to assistance under this bill—

Mr. DAVIS. Many are now getting assistance.

Senator WILLIAMS. He would be eligible for relief for his family while another Government agency would be providing relief for his livestock, and you will have another agency providing relief to finance his equipment. I wonder if we had not better get together and let one agency handle it all, otherwise we will soon find ourselves spending more money for administration than we do on relief.

Mr. DAVIS. That could be true.

Senator WILLIAMS. We are not questioning the eligibility of the applicant. It seems to me an unnecessary cost that you have got two separate departments both out at the same time supplying relief to the same person. I am wondering if we cannot give some of that relief through elimination of the personnel necessary.

And the proper way to do it is to work out an overall formula whereby when the States come in and ask for Government assistance whatever the amount they would automatically be committing themselves to a percentage of the cost.

Whether that should be 50 or 10 or 5 percent, I do not know. I would like to have the recommendations of the Department on that question. They asked us last year to hold it up until they could get a chance to study it. They pointed out that legislatures will be out of session—last year, that was the objection. But the legislatures have been out of session, in session and out of session again and we are still waiting.

Mr. BERGER. I am not sure about that. We would have to go back and find out. I suppose that we were on record on that.

Senator WILLIAMS. Don't you think that it is a proper question at this time and that we should work out an answer.

Mr. BERGER. I will have to admit that as being correct.

Senator WILLIAMS. Maybe it is not a meritorious proposal. I will be frank with you. I may myself change my mind on it.

But the question has been raised and I think it would be well for us to decide it before we get too far committed in a multitude of programs such as this. I will say I am inclined to favor the suggestion.

Mr. BERGER. That would come up in another department, within the Department of Agriculture, of course. I have heard of the discussion. I am not sure—I will check into this and have the report made a part of the record.

Senator WILLIAMS. We must recognize the fact that with huge storage of supplies in this country, you cannot justify people going hungry. We have got to recognize that. What is the answer? I do not know. I think we have got to find that answer somewhere. This may be it or it may be something else. I do not think it is just enough to be against it.

Mr. BERGER. We are not just against it.

Senator WILLIAMS. I respect your position and I agree with you fully that we should not turn your agency into a relief agency but there must be an answer somewhere to this problem.

Senator HOLLAND. There is a question I would like to ask you, with regard to the source of financing as to whether it makes any difference in this program. Certain of your purchases that move in the school-aid program for instance, are made under section 32 funds. As for instance canned fruits.

Mr. BERGER. Yes.

Senator HOLLAND. They are expendable section 32 funds when they are used in the acquisition of surplus amounts of canned fruits or many other commodities which are not on direct price-supported basis, in that program. There are other of these perishable or semi-perishable commodities such as milk products that you acquire under a price-support program. Is there any difference in your view between the way these two should be handled, one of which has to be handled as a part of the cost of price-support program and the other of which does not?

Mr. BERGER. Your milk is not even bought by section 32 funds; is it?

Mr. DAVIS. We have various ways of acquiring these commodities for donation. You are quite right on the dairy products. They come into CCC inventories under a mandatory price-support program. There have been occasions in the past where we have used section 32 funds to buy from CCC and then make the donations under section 32 authority. As you recall, section 32 legislation requires that those funds be used principally for nonmandatory perishables. The canned beef and gravy was purchased with section 32 money.

Section 32 commodities are distributed in exactly the same way as are the commodity credit section 416 donations. We use the same administrative setup. They go to the same outlets. Some of the section 32 commodities have been donated to needy persons.

In addition, there are some school-lunch funds under that appropriation that are used to make direct purchases only for the schools in

the school-lunch program. That is something quite different and has no relation to either price support or surplus removal purchases.

Senator HOLLAND. Out of direct appropriation for the school-lunch program, and then you have section 32 funds to acquire surpluses of nonsupported perishables under the school-lunch program and you also have under the school-lunch program commodities that are acquired as an incident of price-support operation. Is there any difference in your mind between the type of accounting or the type of distribution that you should use in those different instances?

Mr. DAVIS. No, sir. The terms of the legislation in section 32 do allow of processing, whereas in section 416 by the use of the word "reprocessing" does not. There is a distinction there. If we were not required to use section 32 principally for nonmandatory perishables, it would be legally possible to process wheat and corn and make the distribution under section 32. However, because of that limitation, it has not been possible.

Senator HOLLAND. Thank you very much.

I understand that Congressman Jennings wishes to supplement his former statement. Suppose we hear from you. However, before we do that, we will hear from Mr. Baker, Legislative assistant to the president of the National Farmers Union.

STATEMENT OF JOHN A. BAKER, LEGISLATIVE ASSISTANT TO THE PRESIDENT, NATIONAL FARMERS UNION

Mr. BAKER. For the record, I am John A. Baker, legislative assistant to the president, James G. Patton of National Farmers Union, the Nation's fastest growing farm organization. Mr. Patton considers the general subject of your hearing today as one of the world's most pressing and most important problems.

Mr. Patton has a deep personal conviction that the state of history has been reached when no one—not one single person—needs to be hungry or undernourished or to have a substandard diet. Mr. Patton's conviction, I feel sure, it is shared by the great bulk of the member families of Farmers Union.

Jim Patton very much wanted to be present when your committee began consideration of legislation relating to the general subject of enough to eat. However, this hearing today comes at a time when Mr. Patton has already agreed to address the national convention of another organization on the subject of public farm and food policy. Since he cannot be here I shall read this brief statement that he would have given if he could have been present. Please let me assure you, this question is a subject very close to his heart.

The age of nature-imposed scarcity is past. No longer is mankind doomed by nature to starvation for a part of its people every year. Particularly in the United States the farm-productive power is abundantly and efficiently available to easily provide a fully adequate diet every day for every person within our borders.

Let us examine then what this great food productive power means in human terms. It means that food is no longer a scarce good in the sense that not enough total supply can be provided to give everybody enough. To provide adequate diets for some does not require that others have inadequate diets. With respect to food, at

least, our Nation particularly, and the whole world, if we but knew it, has not only left behind the age of scarcity, we have even passed through the age of plenty and are on the threshold of the age of abundance.

No human being, in his right mind, would think of depriving another human being of enough air to breathe. Nor are there many among us who would deprive a fellow human being of water to quench his thirst, whether he had any money to pay for it or not.

Of course, produced food has not reached the relative abundance of air; nor is its acquisition as inexpensive, thus far, as drinking water in most parts of the country. However, our era in our own country has seen food pass into this area of abundant goods, which, as necessary to life as air and water, are sufficient and low enough in cost that none need go without.

In this potentially happy situation, there is every reason to adopt as a basic national premise that no one within our borders shall lack the food for good nutrition. The legal concept here is that we, as a Nation are now in a position to assert a new right in the constitutional Bill of Rights—the right of each individual to enough of the right foods for adequate nutrition irrespective of whether the individual does or does not have the ability or opportunity to earn the purchasing power required to obtain enough of the right foods.

The central point here is that we, as a Nation, have now progressed to the place where we safely can, and morally should lay aside the John Smith principle of national life. No longer must our rule be “he who does not work shall not eat,” as vital and useful as that principle was in an earlier stage of our history. Now we must learn to live with abundance and like it. Our halting efforts in that direction seem to indicate that the process of learning to live with abundance is almost as painful for a few in the population as the attempt to live with scarcity was physically painful for many.

The very fact that this committee has scheduled this hearing today is evidence that the Nation is groping toward the adoption and acceptance of this human right of enough to eat.

The concept is that society as a whole or the Nation operating through its Federal Government will stand ready to provide enough food for good nutrition to all those who do not have the opportunity to earn incomes sufficiently large to buy it.

Quite likely these ideas will seem shocking to some on first thought. However, our Government has long since accepted the ideas and acted on them. The need of the present time is to act on these familiar ideas in boldly large ways. In our public eleemosynary institutions we provide food through Government even to ill or disabled criminals who cannot work. The same is true of those unfortunates in our mental-health institutions. Do not our aged, our involuntary unemployed, our disabled, and our widowed mothers and dependent children have equally strong claims for adequate food as these other groups? Obviously, the answer is “yes” from a human justice standpoint as well as from the standpoint of internal national strength and well-being and as a showcase to the rest of the world that the democratic competitive enterprise system can provide abundance and use it wisely.

It is now more than 15 years ago that a few timid experiments were made by the United States Department of Agriculture in the

operation of the food stamp plan. This activity had to be dropped owing to scarcities brought on by World War II. But the idea did not die. It has lived on in the food-allotment bills introduced in each new session of the Congress by the distinguished former chairman of the Senate Committee on Agriculture and Forestry. He has reintroduced the bill, S. 45, in this session and was joined in sponsorship by two other farsighted and humanitarian members of your committee: Senators Humphrey and Young. This Aiken-Humphrey-Young bill, S. 45, puts into legislative language the abundant-food concept suggested in the preceding paragraphs.

The essence of the food allotment bill is that any person within the boundaries of the United States can calculate 40 percent of his family income, however low it might be, take it down to the post office, or other designated place, and purchase from his Government enough stamps or coupons to enable him to buy an adequate diet for himself and his family at any grocery store. This bill of course is not the subject of your hearing today. However, the bill you are considering is not different in kind; it differs only in degree, size, boldness, and mechanics, from the food allotment bill. The underlying public philosophy is an expression of the humanitarian ideal in an area of abundance applied to food. There is every good reason why our Nation should right now boldly set forward and adopt the Aiken-Humphrey-Young food allotment plan in total, without paring down its scope or operation. However, in approving the bill before you, you will be giving further national acceptance to the underlying concept of "Enough to eat for all."

Whereas S. 45 would, in effect, provide variable Government subsidies for food purchases for all low-income consumers, 40 percent of whose present income will not buy an adequate diet, the food certificate bill, S. 627 introduced by Senator Kerr and 22 other Senators, many of them members of this committee, would make the Federal subsidies for food purchase available only to persons now on the rolls of public assistance agencies and would only be applicable to foods declared to be in surplus supply by the Secretary of Agriculture. It should be pointed out and recognized that these are differences only in detail and scope. They do not differ in the basic public philosophy they express. Both would implement by Government action, the new human right in the United States of enough to eat for all.

The food certificate bill, S. 627, has, of course, been referred to the Finance Committee rather than your committee, but this fact need not deter you from a consideration of its manifest merits. Mr. Patton, and I feel sure, a great majority of Farmers Union member families would prefer to see the Congress adopt the bill with the broader scope, but certainly we cannot oppose enactment of any good proposed legislation that would create better conditions than currently prevail.

The bill your committee has under specific consideration, S. 661, is of the same type and kind as the other two bills previously discussed. Again, the basic public philosophy involved is the idea of human right to enough food—as a right to be implemented by the Federal Government if the individual does not have the opportunity to earn sufficient purchasing power to buy enough food. In S. 661 the bill immediately before your committee, the scope of operations

is narrower than of the Kerr bill, S. 627, in that the consumption of only commodities owned by Commodity Credit Corporation would be subsidized by the Federal Government. However, the scope in terms of eligible low-income consumers would be fully as broad as in the Kerr bill—although not as broad as in the food allotment bill.

There is, of course, another important difference between the bill before you, S. 661 and the other two. S. 661 provides for storage, processing, and distribution of food commodities and products by Federal Government agencies directly to local and State public distribution agencies and from them directly to the recipient consumers. The other two bills eliminate the need for governmental handling, processing, and storage of actual commodities leaving these functions to be performed in the usual course of business by the private food trade and industry.

Although these are differences in detail and scope, it is vitally important to keep in mind that the basic underlying idea is unchanged. It is the concept of a publicly insured right of everyone to enough to eat. This is the concept that underlay the food stamp plan of the 1930's. It is the concept that underlies the commodity distribution programs of the CCC under the set-aside provision, title I of the Agricultural Act of 1954 of title III of the Agricultural Trade Development and Assistance Act of 1949. As a matter of fact, the bill before you is a relatively small improving change in existing legislation. Existing legislation authorizes the CCC to make its stocks available within the United States for relief in distress areas, charitable institutions, for distribution to the unemployed, school lunches, in drought and other natural disaster areas, to needy Indians and to meet any disaster proclaimed by the President. Existing law authorizes the Federal Government to pay costs of shipping such commodities from the place where now stored to a central location in each State, but does not authorize payment of any processing costs.

The bill before you would expand this authorization to cover costs of shipment of commodities to local warehouses and distributing agencies and, more important, in some respects, to pay the cost of having the commodities now owned by CCC processed into consumer-size packages of consumer-type products. Both of these provisions are improvements over existing law. Both would expand application of the basic underlying principle of public philosophy—"Enough to eat for all."

Enactment of S. 661 would be another small and timid, but significant step into the world of today where we must learn to live with abundance.

We strongly and respectfully urge you to give full consideration to adoption now of S. 45, the food allotment plan.

Short of the complete food allotment plan, we urge adoption of legislation along the lines of S. 627, the food certificate bill. Enactment of either of these bills would be a vast step forward by the Government in the field of food policy on which it is already embarked. Doing it would make use of and augment consumer purchasing power and move a larger volume of food through normal channels of processing and trade.

It may well be that some who have already adopted the "Enough to eat for all" public philosophy as expressed in existing legislation and these pending bills may yet not be fully ready to implement their

humanitarian and intelligent principles by such bold forward steps as are spelled out in the Aiken-Humphrey-Young and Kerr bills.

If these exist in sufficient numbers as to render impossible adoption by Congress of the broader bills but when added to those who join us in support of the bolder approach, then by all odds the Nation will be benefited if the two groups go in together and bring about enactment of S. 661 which is at least a significant, if short, step in the right direction.

We fully approve the underlying idea of all three approaches, the idea that in this era of abundance the Government should use some of its funds to insure that everyone in the Nation has enough to eat.

We urge you to give the concept as broad and as expanded an application as the Congress will adopt. We feel it is a good sign that even the least fold of the three bills has come to the hearing stage of legislative progress. We are confident one day this Nation will adopt a nationwide food allotment plan and a national food and fiber policy consistent with it.

However, we are impatient that the ultimate realization of the enough-to-eat-for-all goal be brought down to the nearest possible future.

There are somewhere between 3 and 4 million involuntarily unemployed workers in our Nation.

In the recent past, the number has been even greater. Unless more expansive Federal policies are adopted than those now in effect, the number of unemployed will grow in a chronic rise over the years ahead. More than half of our farm operator families have incomes less than \$2,000; almost half of the Nation's unskilled and service workers have incomes of less than that amount. Many aged people are dependent widows and children and the dependent handicapped, also, have incomes so low they cannot afford to buy enough of the right foods for adequate nutrition. Governmental programs to fill the gap will not only implement the right to enough to eat, it will also go a long way toward solving the recurrent problems of falling farm prices and incomes which dropped about 13 percent from 1952 to 1954 and are predicated by the United States Department of Agriculture to drop another 5 percent in 1955.

Farm-operating families suffer poor incomes because many people suffer relative hunger in our Nation. It is high time the Nation corrected this unnecessary and essentially brutal situation.

We appreciate the opportunity you have given us to express our views to you on this important humanitarian subject.

Senator HOLLAND. Thank you, sir.

STATEMENT OF HON. W. PAT JENNINGS—Resumed

Mr. JENNINGS. I wanted to comment on the House bill which we were not discussing when I was originally testifying but since this bill has gotten into the record. I would like to say we feel this bill will get to these people the commodities which we desire, that it will not make a relief agency out of the Commodity Credit, that it will properly charge the program to the Health, Education, and Welfare Department, that it will be handled exactly as the other commodities are being handled as far as the distribution is concerned, that the Commodity Credit will make the contacts for the reprocessing of the grain

which they now have in storage and the packaging and transportation to the central locations but rather than charge it to the Commodity Credit, it will be charged to the Health, Education, and Welfare, and be carried on their CCC books as an account receivable from Health, Education, and Welfare until such time as an appropriation is made for the Health, Education, and Welfare to reimburse CCC. I would like to say at this time, too, for the purpose of the record, that I do not think this is the ultimate solution to our problems at all.

I have introduced a public works bill which I think will help in response to Senator Williams' question a few minutes ago—it will give these people an opportunity to work and it will also give people who are paying for the program currently something in return.

Those people who are able to work, I mean.

Senator HOLLAND. I think this is a question that was brought up by some of the witnesses, and is a question in my mind, too: Would this bill as now reported to the House, the text of which we have before us, make a different kind of accounting and a different group of recipients for these cereals, processed cereals, wheat and corn, from the type of accounting and the group of recipients already receiving other food products from the Department of Agriculture?

Mr. JENNINGS. I think it would in some cases make the recipients different.

Senator HOLLAND. Would it also make accounting different in that this would be chargeable to the Health, Education, and Welfare Department, whereas the other items would not?

Mr. JENNINGS. Yes.

Senator HOLLAND. What is the justification for both of those things?

Mr. JENNINGS. Well, sir——

Senator HOLLAND. Why should the question of distribution of flour and meal be, either narrower or wider, or upon any different accounting basis, than the distribution of dried milk or dried prunes or canned fruits, or surplus potatoes?

Because they are in surplus. Why should there be a difference between the programs?

Mr. JENNINGS. I am not trying to qualify it or defend that there should be a difference. It was made for this reason. First of all, some of the other commodities that you mentioned are perishables and are not storables, and these commodities here perhaps can be stored better and kept over a longer period of time than some of the other commodities, such as butter and the cheese and the dried milk, and as was testified before our committee, there was very little danger perhaps of spoilage or loss in the storage grains as was present in the other cases.

Also, to get the agricultural department out of relief business, we felt that this should be charged to the Health, Education, and Welfare, that is probably just as attributable to some of the other commodities as it is to this. But there was objection to this and there was no objection to the others as it was written into the law because they were in the process of being distributed. This was not in the process of being distributed and we felt that it should be. That is the reason that it was put into this bill.

Senator HOLLAND. Would there be any possibility if this bill be passed, of the receipt by distressed people, distressed families in an unemployment area, as described in this bill, and the receipt by other

persons not in such an area, out of the wide type of surplus commodities already being distributed by the CCC?

Mr. JENNINGS. Yes; I can see that there would be some differentiation because this sets up specific instances of where and how it shall be given. It is given only on those areas which have a surplus of labor certified by the Secretary of Labor to the Health, Education, and Welfare and then in addition a certificate from the Governor that there is acute distress. That is one provision. The other is that the President may certify that it is a distressed area. I can see where some of those people would get some of the other processed grains, surplus commodities but would not get these.

We felt that——

Senator HOLLAND. Would not the reverse of that be true, too, what you first started to say?

Mr. JENNINGS. It could be but I do not think it would be. It could be. I know of no case where it would be true because all those surplus areas now are receiving the other commodities.

Mr. DAVIS. This would still presuppose that the State would have to take some action to get the commodities, even the flour and cornmeal. Where the State is willing to do that, they undoubtedly would also be willing to take action to get the other commodities.

I would question whether there would be any instances where these people would get flour and cornmeal and not get the other commodities.

Mr. JENNINGS. It is conceivable. It is hardly imaginable. According to the law, it would not necessarily have to be made available.

Senator HOLLAND. If it is true and I do not know whether it is true or not, that the distress areas are already getting all of these other surplus goods, surplus foods, would it not be a much simpler thing to just allow the processing down to the point of converting into flour and meal, respectively, of wheat and corn and allow them to be added to the other surplus distribution without setting up a separate kind of requirement or separate book method of handling the bookkeeping on it?

Mr. JENNINGS. It could be. It was not our intention that it would make a great deal of difference other than to make it chargeable to the Health, Education, and Welfare Department rather than to the CCC. That was the main reason this provision was put in so it would not make a relief agency out of the CCC. The CCC would do the processing, the bagging and shipping right along with these other products they are shipping, but they would just carry it as an account receivable on their books and charged to Health, Education, and Welfare. So when they come up and tell about this remarkable, this tremendous amount of money that is being lost in the CCC, it would not show up as a loss. It would show up as account receivable such as they described when wheat is given to the Foreign Operations Administration. Also this was brought out, in these other commodities they were trying to stimulate the use of those commodities over and above normal use. It was felt a family would not normally buy cheese, that this would stimulate the use of the cheese, and butter and some of the other commodities.

Senator HOLLAND. But you do not think there would be any such result in the case of the flour and cornmeal.

Mr. JENNINGS. I think we would have more use. I think it would stimulate the use of it. I think we would have families using more.

Senator HOLLAND. If you do not take that position, why you would be definitely in the position of displacing commercial production.

Mr. JENNINGS. I take that position, though. I took that position. Definitely they will, because in some cases they are being denied this right now. I have a letter from a constituent saying they liked cheese but would rather have cheese between bread than to have cheese between cheese.

Senator HOLLAND. We can all see it is a most compelling cause.

Mr. JENNINGS. It is.

Senator HOLLAND. Not too easy a one to fit into the picture.

Do you have some questions, Senator Aiken?

Senator AIKEN. No questions.

Senator HOLLAND. We will put in the record at this point a statement received from the American Farm Bureau Federation which was to be presented by Mr. John C. Lynn, legislative director.

STATEMENT FILED BY JOHN C. LYNN, LEGISLATIVE DIRECTOR, AMERICAN FARM
BUREAU FEDERATION

This bill would amend the surplus commodity donation authorities provided in sections 407 and 416 of the Agricultural Act of 1949, as amended. It would give the Commodity Credit Corporation authority to pay the costs of processing CCC-owned commodities into a form suitable for home and institutional use.

We recognize the necessity for increasing consumption of food, both at home and abroad. However, we believe that the Commodity Credit Corporation has sufficient authority under sections 407 and 416 to make domestic distribution of surplus food commodities. In addition the Agricultural Trade Development Act of 1954, Public Law 480, gives the President of the United States broad authority for donation of food in case of acute economic disaster or in connection with any major disaster.

Under section 416 the Commodity Credit is authorized to pay the cost of reprocessing, packaging, transportation, handling, and other charges incurred in delivering the commodities to central receiving points within the States or to points of export. It is our opinion that very little, if any, additional wheat flour and cornmeal would be distributed under the provisions of S. 661. Even if large quantities could be distributed we doubt the advisability of the Government of the United States getting into the first processing of food commodities.

Under existing authority the United States Department of Agriculture has distributed over 500 million pounds of surplus food-commodities, valued in the neighborhood of \$160 million, which are being used this fiscal year in the school-lunch program, charitable institutions, and for other needy persons and families in this country.

We therefore recommend that S. 661 not be approved.

Senator HOLLAND. The committee will rise, subject to further call of the Chair.

(At 12:30 p. m. the committee recessed subject to the call of the Chair.)

(The following was subsequently received for the record:)

WASHINGTON, D. C.

HON. SPESSARD L. HOLLAND,
Chairman, Agriculture Subcommittee,
United States Senate:

CIO wholeheartedly supports S. 661. Which would authorize the Commodity Credit Corporation to precess surplus food commodities into suitable form for home and institutional use, thereby enabling State welfare agencies to distribute surpluses to the needy without the extra and costly job of rehandling. The persistence of many trouble areas of large unemployment has placed a heavy burden on several States which makes this legislation essential if currently unused supplies of surplus foods are to reach the stomachs of the Nation's hungry. We urge immediate approval and request that our support be made a part of the record of the current hearings.

ROBERT OLIVER,
Assistant to the president,
Congress of Industrial Organizations.

X

84TH CONGRESS
1ST SESSION

H. R. 863

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1955

Mr. VAN ZANDT introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for the distribution of certain surplus food commodities to needy persons in the United States, by use of a food stamp plan.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That in order to promote the general welfare, raise the levels
4 of health and of nourishment for needy persons whose in-
5 comes prevent them from enjoying adequate diets, and to
6 remove the specter of want, malnutrition, or hunger in the
7 midst of mountains of surplus food now accumulating under
8 Government ownership in warehouses and other storage
9 facilities, the Secretary of Agriculture (hereinafter referred
10 to as the "Secretary") is hereby authorized and directed to

1 promulgate and put into operation, as quickly as posible, a
2 program to distribute to needy persons in the United States
3 through a food stamp system a portion of the surpluses of
4 food commodities acquired and being stored by the Federal
5 Government by reason of its price-support operations or
6 other purchase programs.

7 SEC. 2. In carrying out such program, the Secretary
8 shall—

9 (1) distribute surplus food made available by the
10 Secretary for distribtion under this program only when
11 requested to do so by a State or political subdivision
12 thereof;

13 (2) issue, or cause to be issued, pursuant to section
14 3, food stamps redeemable by eligible needy persons
15 for such types and quantities of surplus food as the
16 Secretary shall determine;

17 (3) distribute surplus food in packaged or other
18 convenient form on the local level at such places as he
19 may determine;

20 (4) establish standards under which, pursuant to
21 section 3, the welfare authorities of any State or political
22 subdivision thereof may participate in the food stamp
23 plan for the distribution of surplus foods to the needy;
24 and

25 (5) make such other rules and regulations as he

1 may deem necessary to carry out the purpose of this
2 Act.

3 SEC. 3. The Secretary shall issue, to each welfare de-
4 partment or equivalent agency of a State or political sub-
5 division requesting the distribution of surplus food under
6 section 2 (1), food stamps for each kind of surplus food to
7 be distributed, in amounts based on the total amount of
8 surplus food to be distributed and on the total number of
9 needy persons in the various States and political subdivisions
10 eligible to receive such food. The food stamps shall be issued
11 by each such welfare department or equivalent agency to
12 needy persons receiving welfare assistance, or in need of
13 welfare assistance but ineligible because of State or local law,
14 and shall be redeemable by such needy persons at local
15 distribution points to be determined by the Secretary under
16 section 2 (3).

17 SEC. 4. Surplus food distributed under this Act shall be
18 in addition to, and not in place of, any welfare assistance
19 (financial or otherwise) granted needy persons by a State
20 or any political subdivision thereof.

21 SEC. 5. In any one calendar year the Secretary is au-
22 thorized to distribute surplus food under this Act of a value
23 of up to \$1,000,000,000, based on the cost to the Federal
24 Government of acquiring, storing, and handling such food.

25 SEC. 6. The distribution of surplus food to needy per-

1 sons in the United States under this Act shall be in place
2 of distribution to such needy persons under section 32 of
3 the Act entitled "An Act to amend the Agricultural Adjust-
4 ment Act, and for other purposes", approved August 24,
5 1935 (7 U. S. C., sec. 612c), as amended, and section
6 416 of the Agricultural Act of 1949. Distribution of surplus
7 food under this Act shall be subject to the same system of
8 priorities as is presently provided for in such sections.

9 SEC. 7. For the purposes of this Act, a needy person
10 is anyone receiving welfare assistance (financial or other-
11 wise) from the welfare department or equivalent agency of
12 any State or political subdivision thereof, or who is, in the
13 opinion of such agency or agencies, in need of welfare assist-
14 ance but is ineligible to receive it because of State or local
15 law.

16 SEC. 8. There are hereby authorized to be appropriated
17 out of any money in the Treasury not otherwise appropri-
18 ated, such sums as may be necessary to carry out the pur-
19 poses of this Act.

A BILL

To provide for the distribution of certain surplus food commodities to needy persons in the United States, by use of a food stamp plan.

By Mr. VAN ZANDT

JANUARY 5, 1955

Referred to the Committee on Agriculture

84TH CONGRESS
1ST SESSION

S. 661

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1955

Mr. CLEMENTS (for himself, Mr. BARKLEY, Mr. DUFF, Mr. MARTIN of Pennsylvania, Mr. NEELY, Mr. KILGORE, Mr. HENNINGS, Mr. SYMINGTON, Mr. HILL, Mr. CAPEHART, Mr. DOUGLAS, Mr. JOHNSTON of South Carolina, and Mr. DIRKSEN) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the next to the last sentence of section 407 of the
4 Agricultural Act of 1949, as amended, is amended to read
5 as follows: "Except on a reimbursable basis, the Corpora-
6 tion shall not bear any costs in connection with making such
7 commodity available beyond the cost of the commodity to
8 the Corporation in store, the cost of processing it into a
9 form suitable for home or institutional use if it is a food

1 commodity, and the handling and transportation costs in
2 making delivery of the commodity to designated agencies
3 at one or more central locations in each State, such process-
4 ing to be accomplished through private trade facilities to the
5 greatest extent possible.”

6 SEC. 2. Section 416 of the Agricultural Act of 1949,
7 as amended, is amended by inserting before the last sentence
8 thereof a new sentence as follows: “In addition, in the case
9 of food commodities disposed of under this section for use
10 within the United States, the Commodity Credit Corporation
11 may pay the cost of processing such commodities into a
12 form suitable for home or institutional use, such processing
13 to be accomplished through private trade facilities to the
14 greatest extent possible.”

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

By Mr. CLEMENTS, Mr. BARKLEY, Mr. DUFF, Mr. MARTIN of Pennsylvania, Mr. NEELY, Mr. KIGORE, Mr. HENNINGS, Mr. SYMINGTON, Mr. HILL, Mr. CARPENTAR, Mr. DOUGLAS, Mr. JOHNSTON of South Carolina, and Mr. DIRKSEN

JANUARY 21, 1955

Read twice and referred to the Committee on Agriculture and Forestry

title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. SPARKMAN is as follows:

STATEMENT BY SENATOR SPARKMAN

The bill that I have introduced for myself and Senator FULBRIGHT will make the direct loan program of the Veterans' Administration coextensive with the loan-guaranty program established initially in the Servicemen's Readjustment Act of 1944.

It was my pleasure to introduce the original legislation which first set up the direct-loan program in 1950. It had become clear that many veterans living in small towns and semirural communities were not sharing in the GI-loan guaranty benefits because private lenders were unable or unwilling to make GI loans. The small country banks usually had sufficient capital only to meet local needs for short-term credit, principally for commercial and farming purposes, and they had very limited amounts available for long-term mortgage loans. These factors prompted me to introduce the original legislation.

I have been extremely gratified with the support given this program on both sides of the aisle and in both Houses of the Congress. The extensions of the program and the many improvements that have been made in it have received the overwhelming support of Congress.

Originally, the sum of \$150 million was made available to the VA for the making of direct loans. In September 1951, Congress extended the program and authorized the establishment of a revolving fund so that the VA could make new loans as outstanding loans were repaid or sold to private investors. In April 1952, the direct-loan program was extended and an additional \$125 million was made available in quarterly installments.

In the following year, 1953, a 1-year extension of the program was authorized with an additional authorization of \$25 million per quarter. Last year, the Congress extended the program through June 30, 1955, and increased the quarterly allotment to \$37½ million. Under the existing law the final \$37½ million allocation will be made available on April 1 and statutory authority for making such loans will expire on June 30.

While mortgage money for guaranteed loans is in fairly good supply in most urban areas of the country, veterans in rural and semirural areas still are unable to have their mortgage needs satisfied through the VA guaranty loan program. Historically, mortgage money has not flowed into these remote areas even during periods when investment funds generally were in adequate supply.

It now seems clear that there always will be certain of such areas and the only hope of veterans living there for obtaining the benefits of the GI loan will be through the direct loan program. I certainly would not want to see these veterans deprived of their opportunity to share in this benefit, and the past actions of the Congress make it clear that the other Members view the problem in a similar light.

You will note that this bill would authorize quarterly installments of \$50 million each during the remaining life of the program. Also, the present pattern would be preserved by having the quarterly allotments reduced by the amount of sales of loans to private investors made by VA in the preceding quarter. The reason I propose to increase the quarterly allocation is simply because the \$37½ million allocation has fallen considerably short of satisfying the needs of World War II and Korean veterans in our smaller towns and rural areas. There are still many thousands of veterans on VA's waiting lists hoping to get GI loans. The increase to \$50 million quarterly would reduce waiting lists substantially and assist in more effectively meeting future demands.

It is important to bear in mind also that this program is not costing the Government any money. While it is true that as an initial step the Treasury is called upon to disburse funds, the Government is in return receiving a very valuable asset. Just how good these loans are is demonstrated by the fact that out of the 56,600 direct loans made to date, only 125—or about one-fifth of 1 percent—have resulted in defaults to the extent that the Veterans' Administration had to take over the property.

In my home State of Alabama, out of the more than 2,000 direct loans which have been made in the smaller towns and rural areas there have been only 6 properties which the VA has had to acquire.

We should remember too that the Government is receiving a substantial net income from these loans. While the Veterans' Administration has paid the Treasury about 2 percent for its direct-loan funds, the loans presently being made bear a 4½ percent interest rate. This "spread" is more than enough to take care of the administrative costs of the program as well as to set up reserves against future losses. In addition, it is probable that it will result in a substantial profit.

As I mentioned above, about 56,600 veterans of World War II and Korea have shared in this benefit. It is extremely doubtful that these veterans would have been able to start on the road toward debt-free home ownership without the beneficial terms afforded by GI financing. I am extremely hopeful that we will continue making it possible for other veterans and their families to enjoy a similar benefit. I ask that this bill be given the same wholehearted support that has been given in the past in order that the program will be continued.

RELIEF AGAINST CERTAIN FORMS OF DISCRIMINATION IN INTERSTATE TRANSPORTATION

Mr. IVES. Mr. President, on behalf of the senior Senator from Maryland [Mr. BUTLER], the junior Senator from New Jersey [Mr. CASE] and myself, I introduce for appropriate reference, a bill to provide relief against certain forms of discrimination in interstate transportation. This legislation is designed to assure to all interstate travelers the full and equal enjoyment of accommodations, advantages and privileges of any public conveyances operated by a common carrier engaged in interstate commerce and all the facilities furnished or connected therewith, regardless of race, color, religion, or national origin.

Although it is assumed that discrimination and segregation on public conveyances operated by common carriers is unlawful, this assumption is based upon a number of recent decisions of the Federal courts which, unfortunately, have not dealt explicitly with every phase of this problem. Moreover, studies indicate that some discrimination and segregation continues to exist against colored passengers, particularly with respect to buses, railroad coaches and such other accommodations as waiting rooms of certain interstate common carriers.

The provisions of the bill are in accordance with the general policy established by the Federal courts and contained in several statutes adopted by the Congress against discrimination with respect to travel on common carriers operating in interstate commerce. Specifically, it would make explicit the traveler's right to sue for damages resulting from such discrimination and travel on

common carriers in interstate commerce and would also provide uniform penalties against common carriers or their officers, agents, or employees, or any other person who aids or assists any such officers, agents, or employees in denying or attempting to deny the traveler his right to nondiscriminatory and non-segregated travel. I believe this bill would assure an effective method of eliminating the remaining vestiges of discrimination and segregation in interstate travel.

I ask unanimous consent that the text of the bill be printed in the body of the RECORD following these remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, will be printed in the RECORD.

The bill (S. 657) providing relief against certain forms of discrimination in interstate transportation, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That all persons traveling within the jurisdiction of the United States shall be entitled to the full and equal enjoyment of the accommodations, advantages, and privileges of any public conveyance operated by a common carrier engaged in interstate or foreign commerce, and all the facilities furnished or connected therewith, subject only to conditions and limitations applicable alike to all persons, without discrimination or segregation based on race, color, religion, or national origin.

Sec. 2. It shall be unlawful for any common carrier engaged in interstate or foreign commerce, or any officer, agent, or employee thereof, to segregate, or attempt to segregate, or otherwise discriminate against, or for any other person to aid or assist any such officer, agent, or employee in segregating, attempting to segregate, or otherwise discriminating against, passengers using any public conveyance or facility of such carrier engaged in interstate or foreign commerce, on account of the race, color, religion, or national origin of such passengers. Any such carrier or officer, agent, or employee thereof who segregates or attempts to segregate such passengers or otherwise discriminate against them on account of race, color, religion, or national origin, or any such other person who aids or assists any such officer, agent, or employee in segregating or attempting to segregate such passengers or in discriminating against them on such account, shall be guilty of a misdemeanor and shall, upon conviction, be subject to a fine of not to exceed \$1,000 for each offense, and shall also be subject to suit by the injured person in an action of law, suit in equity, or other proper proceeding for damages or preventive or declaratory or other relief. Such suit or proceeding may be brought in any district court of the United States as constituted by chapter 5 of title 28, United States Code (28 U. S. C. 81 and the following), or the United States court of any Territory or other place subject to the jurisdiction of the United States, without regard to the sum or value of the matter in controversy, or in any State or Territorial court of competent jurisdiction.

COMMISSION ON PROGRAMS FOR THE AGING

Mr. IVES. Mr. President, I introduce for appropriate reference, a bill to establish a Commission on Programs for the Aging. This bill, which would establish a commission to study and investigate the serious problems stemming from the increased proportion of aging persons in

the Nation's population, is similar to the one introduced in the second session of the last Congress by Representative FREDERIC R. COUDERT, JR., and myself. Although the heavy legislative schedule during the final stages of the 83d Congress did not permit the scheduling of hearings on this proposed legislation, I am looking forward to early consideration by the present Congress in view of the favorable response the bill has received.

The Congress, our States and localities have not been unmindful of the particular needs of the aging. In recent years we have made much progress in seeking out solutions to these special problems, particularly in such areas as health, housing, and job opportunities. However, with an ever-increasing proportion of aging persons in the Nation's population, the development of cooperative efforts to assure the well-being of the older members of our society is imperative.

The Commission, which would be established by this bill, would be required to submit to the President for transmittal to the Congress its findings and recommendations for legislative action based upon its study and investigation of the efforts now being made through various programs to resolve the problems of aging persons. The Commission would be required to submit its final report to the President not later than July 1, 1956.

I ask unanimous consent that the text of the bill be printed in the body of the RECORD following these remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, printed in the RECORD.

The bill (S. 658) to establish a Commission on Programs for the Aging, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

DECLARATION OF FINDINGS

SECTION 1. The Congress hereby finds that one of the Nation's great domestic problems is that of its rapidly growing aging population. The increasing proportion of aging people in the population has overtaxed facilities and resources, adequate when created, but now outmoded. Because of arbitrary retirement ages in industry many able-bodied men and women are thrown suddenly upon their own financial and mental resources which too often prove to be insufficient for their needs in daily life. A large segment of the population consists of persons subject to rapid physical and mental deterioration, feelings of loneliness, uselessness, frustration, and detachment from community life. There is overcrowding of institutions, clinics, and general and mental hospitals. There is an ever-increasing number of persons seeking care in such facilities.

The Nation's aging are entitled not only to support and care in their declining years but to a well rounded and satisfying life as members of their communities. The mere increase in custodial facilities is not a final solution, except for those of the aged who, by reason of chronic physical or mental infirmity, require institutional care. A more practical as well as a more constructive approach to the problems of the aging requires the creation of expansion of facilities for their care and supervision outside of institutions and, as far as possible, in a normal com-

munity environment designed to encourage their continued interest and participation in the life of the community. Such programs are required to replace outmoded custodial methods of caring for the elderly. Such programs would include provision for medical and nursing care in the home, foster family home facilities, and recreation centers, with institutional facilities reserved for those who are or become chronically ill. In view of the rapidly mounting costs of institutional care, such home care and recreational programs would also afford a means of providing more appropriate and more desirable care at lower cost.

There is need for a coordinated study of the problems of the aging to the end that these problems may be clearly defined and suitable programs developed.

COMMISSION ON PROGRAMS FOR THE AGING

SEC. 2. (a) There is hereby established a commission to be known as the Commission on Programs for the Aging, hereinafter referred to as the "Commission."

(b) The Commission shall be composed of 25 members, as follows:

(1) The Secretary of Health, Education, and Welfare, or his designee;

(2) Fourteen members appointed by the President of the United States, from among whom the President shall designate the Chairman and the Vice Chairman of the Commission: *Provided*, That not more than eight of the members appointed by the President shall be members of the same political party;

(3) Five members appointed by the President of the Senate, 3 from the majority party, and 2 from the minority party; and

(4) Five members appointed by the Speaker of the House of Representatives, 3 from the majority party, and 2 from the minority party.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Thirteen members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

DUTIES OF THE COMMISSION

SEC. 3. (a) In view of the findings expressed in section 1 of this act the Commission shall study and investigate problems stemming from the increasing proportion of aging persons in the Nation's population, and remedial measures including but not restricted to care and services in the home, use of foster home facilities, recreation centers, and provision of institutional facilities for the chronically ill.

(b) The Commission, not later than July 1, 1956, shall submit to the President for transmittal to the Congress its final report, including recommendations for legislative action; and the Commission may also from time to time make to the President such earlier reports as the President may request or as the Commission deems appropriate.

HEARINGS; OBTAINING INFORMATION

SEC. 4. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books,

records, correspondence, memoranda, papers, and documents, as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any persons designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes, (U. S. C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this act; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

APPROPRIATIONS, EXPENSES, AND PERSONNEL

SEC. 5. (a) There is hereby authorized to be appropriated for the use of the Commission such sums, not to exceed \$250,000 as may be necessary to carry out the provisions of this act.

(b) Each member of the Commission shall receive \$50 per diem when engaged in the performance of duties vested in the Commission, except that no compensation shall be paid by the United States, by reason of service as a member, to any member who is receiving other compensation from the Federal Government, or to any member who is receiving compensation from any State or local government.

(c) Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(d) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

(e) The Commission may procure, without regard to the civil-service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed \$50 per diem for individuals.

(f) Without regard to the civil-service and classification laws, the Commission may appoint and fix the compensation at not to exceed \$15,000 per annum of a Director, who shall perform such duties as the Commission shall prescribe.

TERMINATION OF THE COMMISSION

SEC. 6. Six months after the transmittal to the Congress of the final report provided for in section 3 of this act, the Commission shall cease to exist.

AUTHORIZATION FOR COMMODITY CREDIT CORPORATION TO PROCESS CERTAIN FOOD COMMODITIES

Mr. CLEMENTS. Mr. President, on behalf of myself and my distinguished colleague, the junior Senator from Kentucky [Mr. BARKLEY], the Senators from Pennsylvania [Mr. MARTIN and Mr. DUFF], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Alabama [Mr. HILL], the Senator from Indiana [Mr. CAPEHART],

and the Senators from Illinois [Mr. DOUGLAS and Mr. DIRKSEN], I introduce a bill to amend section 407 and section 416 of the Agriculture Act of 1949 so as to provide the Secretary of Agriculture full authority to make available from the Commodity Credit Corporation stocks, wheat, and corn in processed and packaged form as flour or cornmeal as well as other edible commodities, for distribution to unemployed persons and their families, institutions, the school-lunch program, and welfare agencies.

I ask unanimous consent that a statement I have prepared relating to the bill be printed at this point in the body of the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 661) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. CLEMENTS is as follows:

STATEMENT BY SENATOR CLEMENTS

The impetus behind the introduction of this bill is two-fold. One, the continued severe unemployment in many States, and secondly, the large stocks of wheat and corn presently in Commodity Credit Corporation inventory available and needed for distribution to the unemployed and other needy, if milled and packaged in usable quantities.

Unemployment in Kentucky has long since reached alarming proportion with no visible and ready solution. To vividly demonstrate the deplorable situation existing, I would like to point out that in January 1953 there were no groups IV, or substantial labor surplus areas as defined by the Secretary of Labor, in the State of Kentucky. Today, I regret to say, there are 30 counties in the State out of a total of 120 which have been certified by the Secretary of Labor as group IV areas. Similar situations are prevalent in a great many States.

As a result of continued unemployment, thousands of persons have been without jobs for many months, their unemployment compensation payments have been exhausted, and at the present time over 200,000 persons in Kentucky alone are dependent upon Federal, State, and county welfare for absolute necessities in the form of food. For some time, the Department of Agriculture Food Distribution Division, in cooperation with State agencies, has been distributing food purchased with section 32 funds and from CCC inventory to these unfortunate people. In the past this has included canned meats and gravy, poultry, butter, cheese, dried milk, shortening, and dried beans. However, the most staple food of all, bread, whose ingredients are held in large quantities by CCC in the form of wheat and corn, has not been made available for distribution.

As late as this past Friday, January 14, I attended a meeting with officials of the Department of Agriculture, along with my distinguished colleague, Senator BARKLEY, and Representative CARL PERKINS, of the Seventh District of Kentucky, representing the area of greatest unemployment in the State, and officials from the Commonwealth of Kentucky, at which time we urged that wheat and corn be made available in processed form for distribution in distressed labor areas. Department officials insist existing legislation does not grant authority to the Department of Agriculture to take such action but could be accomplished

through amendment to the pertinent sections of the Agriculture Act of 1949. It was also pointed out, as had been stated in letters to the various Members of the House and Senate vitally interested in seeing such distribution, the Department does not favor such action in view of the number of difficult and administrative problems involved and the limited impact that such distribution would have in respect to the surplus-disposal program.

I do not believe Congress or the people of these United States primarily are interested in administrative problems or the lack of impact such distribution would have on surplus-disposal programs. I am confident they are far more interested in seeing that our surplus-held food commodities are used to implement the inadequate diet of our needy to the extent such foods are available. The generosity of the American people is recognized worldwide; surely, it should be best demonstrated at home toward these thousands of fine citizens, now destitute due to no cause of their own.

Certainly, the techniques and know-hows acquired by the Army, Navy, and Air Force along with such agencies as CARE and the Red Cross, during wartimes can be utilized to overcome any immediate obstacles administratively.

To remove any fears such a program might be used for purposes other than advocated by this statement, the amendment offered has been carefully drawn to confine such processing to food commodities suitable for home or institutional use, and is confined to food commodities distributed in the United States.

I know of no more pressing problem in Kentucky than the need for a solution to our unemployment problems. However, until a solution can be reached it is the responsibility of those of us in a more fortunate position to see that every means possible is taken to maintain the health and morale of those less fortunate. I urgently request the distinguished chairman of the Senate Committee on Agriculture and Forestry to provide early action on this measure, in order that it may be brought to the floor of the Senate for approval with the least possible delay.

MINIMUM HOURLY WAGE

Mr. LEHMAN. Mr. President, on behalf of myself, the senior Senator from Rhode Island [Mr. GREEN], the senior Senator from West Virginia [Mr. KILGORE], the junior Senator from West Virginia [Mr. NEELY], the Senator from Michigan [Mr. McNAMARA], and the junior Senator from Rhode Island [Mr. PASTORE], I introduce, for appropriate reference a bill to raise the minimum wage from 75 cents to \$1.25 per hour and to add approximately 9 million additional workers to those now covered by the Fair Labor Standards Act. I ask unanimous consent that a statement which I have prepared on this measure plus a section-by-section analysis of it be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement and analysis will be printed in the RECORD.

The bill (S. 662) to amend the Fair Labor Standards Act of 1938 to establish a \$1.25 minimum hourly wage, and for other purposes, introduced by Mr. LEHMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement presented by Mr. LEHMAN is as follows:

STATEMENT BY SENATOR HERBERT H. LEHMAN

I am pleased to sponsor, on behalf of myself and Senators GREEN, KILGORE, NEELY, McNAMARA, and PASTORE, a bill to raise the minimum wage from 75 cents to \$1.25 per hour, and to add approximately 9 million additional workers to those now covered by the Fair Labor Standards Act.

Many Members of Congress and other citizens have registered keen disappointment with the recommendation by President Eisenhower in his state of the Union message that the minimum wage be increased to only 90 cents per hour. I feel that this small increase recommended by the President is entirely inadequate to the needs of millions of American workers and their families and to the national economy.

Moreover, the increase, as proposed in my bill, to \$1.25 per hour, is fully justified by the ever-increasing cost of living, and by the increase in American productivity. From June 1938, when the Fair Labor Standards Act was enacted, until last year, the cost of living rose by more than 120 percent for lower income groups. The rise in worker productivity alone would amply justify the proposed minimum wage increase, since productivity has risen at a rate of 3.25 to 3.5 percent per man-hour annually.

Under the terms of the proposed bill, a total of 33 million American workers would be covered by the minimum wage statute as compared with the present total of 24 million. Of the 9 million proposed to be newly covered under the bill being introduced today, 6 million are individuals whose occupations were specifically exempted by the minimum wage amendments adopted by Congress in 1949, plus a large number who were exempted as a result of administrative interpretations narrowing the scope of interstate commerce as applied to minimum wage coverage.

Under the terms of the proposed new bill, the groups which were excluded from coverage by the 1949 amendments, including certain workers in lumbering and food processing, would be restored to coverage. The groups who have been excluded from coverage under administrative interpretations of "interstate commerce" and who would be restored to coverage under the terms of the proposed bill, would include employees of certain independent telephone companies and of some wholesale establishments.

Those who would be newly covered under the terms of the proposed bill—whose occupations have never been covered before—number about 3 million, and include such groups as employees of large retail chain establishments.

The proposed bill also reestablishes machinery for the creation of tripartite industry committees empowered to recommend a minimum wage higher than \$1.25 per hour for industries in which such a higher minimum is found to be justified. In addition the bill contains a number of technical but important revisions of the act to improve administration and equity of treatment for both employers and workers.

The analysis presented by Mr. LEHMAN is as follows:

SECTION-BY-SECTION ANALYSIS OF A BILL TO AMEND THE FAIR LABOR STANDARDS ACT OF 1938 TO ESTABLISH A \$1.25 MINIMUM HOURLY WAGE AND FOR OTHER PURPOSES

Section 1: Enacting clause and short title.

Section 2: Broadens the findings in the original act to make them applicable to industries affecting commerce in addition to industries engaged in commerce and in the production of goods for commerce as now provided.

DEFINITIONS

Section 3 (a): Clarifies section 3 (j) by restoring original language of the act so as to include in the definition of "produced" employees employed in "any process or occupation necessary to the production."

Section 3 (b): "Wage" is redefined by adding a proviso excluding from wages the cost of board, lodging, or other facilities paid to an employee if the furnishing of such facilities is an incident of and necessary to his employment and such facilities are practically available only from the employer.

Section 3 (c): The definition of "resale" is deleted.

Section 3 (d): A new subsection is added defining the term "activity affecting commerce."

INDUSTRY COMMITTEES

Section 4: Restores the original requirement under the act that the Secretary appoint an industry committee for each industry to recommend minimum rates of wages. Authority is continued for the appointment of special industry committees for Puerto Rico and the Virgin Islands.

MINIMUM WAGES

Section 5: Extends minimum-wage provisions to employees of employers engaged in any activity affecting commerce and increases the minimum wage from 75 cents to \$1.25. This section also provides for higher rates if prescribed by the Secretary upon recommendation of industry committees. The provisions affecting Puerto Rico are amended to provide fixed minima beginning with 80 cents and increasing 5 cents each year until the minimum wage reaches \$1.05, and to provide also that a higher rate not in excess of \$1.25 may be prescribed as a result of industry committee recommendations. Piece-rate practices in Puerto Rico are continued without change.

A new paragraph is added to provide that a seaman must receive no less than a wage equal to compensation at the minimum hourly rate for all hours excluding off-duty periods.

MAXIMUM HOURS

Section 6 (a): Extends application of the overtime provisions of the act to employees of employers whose activities affect commerce.

Section 6 (b): Continues the overtime exemption for guaranteed-wage agreements but makes the exemption apply only to agreements for 52 consecutive weeks. A new condition requires that employees receive compensation at a rate of no less than time and one-half for hours over 10 daily and 48 weekly.

There is also added a proviso to make the operation of the exemption more flexible by providing that if the guaranty is exceeded the employee must be paid time and one-half for hours in excess of 8 daily and 40 weekly.

The exemption for seasonal industries (7 (c)) is deleted.

Section 6 (c): The overtime exemption now contained in section 7 (c) for certain processing of agricultural, dairy, and livestock products is deleted.

Section 6 (d): The overtime exemption contained in section (d) (3) relative to talent fees paid to performers is continued, and the overtime exemption relating to bonuses is deleted.

Section 6 (e): The overtime exemption for employees subject to "Belo" contracts is deleted.

Section 6 (f): The provision permitting time and one-half to be computed on an agreed basic rate as authorized by regulations of the Secretary is deleted.

WAGE ORDERS

Section 7: New subsection. Provides that it is the policy of this act to reach as rapidly as economically feasible the objective of a universal minimum wage of \$1.50 an hour

by means of wage orders issued by the Secretary upon recommendation of industry committees. Rates for employees in Puerto Rico and the Virgin Islands, by proviso, are required to conform to section 6 (a) (2) of the act which establishes a wage order ceiling of \$1.25 for such employees.

CHILD LABOR

Section 8: Amends section 12 (e) to extend coverage to include a prohibition against employment of oppressive child labor, by an employer engaged in any activity affecting commerce, in or about an establishment where he is so engaged.

EXEMPTIONS

Section 9: Deletes from section 13 (a) the following exemptions now contained in the act:

Section 13 (a) (4): Processing goods in retail establishments.

Section 13 (a) (8): Newspapers.

Section 13 (a) (9): Street railways.

Section 13 (a) (10): Processing and handling of agricultural and dairy products.

Section 13 (a) (11): Switchboard operators.

Section 13 (a) (12): Taxicab operators.

Section 13 (a) (13): Telegraph offices in retail establishments.

Section 13 (a) (14): Seamen on American vessels.

Section 13 (a) (15): Lumbering and forestry.

The remaining paragraphs of 13 (a) are redesignated and amended to provide as follows:

Section 13 (a) (1) is amended to provide that employees in an executive, administrative, or professional capacity must be paid at a rate of \$6,000 per annum or more to qualify for exemption under definitions issued by the Secretary.

Section 13 (a) (2) is amended to limit the retail, service exemption to employees in an establishment of an employer having four or less establishments which have a total annual volume of sales or servicing or not more than \$500,000.

Section 13 (a) (3) is amended to limit the exemption in laundering, cleaning, or repairing establishments to employees of employers having four or less establishments which have a total annual volume of sales or servicing of not more than \$500,000.

Section 13 (a) (4) amends exemption for fishing (now 13 (a) (5)) to eliminate packing, marketing, storing, freezing, or distributing of fish and related products.

Section 13 (a) (5) exempts seamen who are not employed on American vessels.

Section 13 (a) (6) amends present exemption for employees in agriculture by excluding employees on industrial farms.

Section 13 (a) (7) reenacts without change the exemption for learners and others who are subject to lower minimum wages in accordance with regulations of the Secretary under section 14 of the act.

Section 13 (b) is amended to provide that the overtime provisions of section 7 will not apply to carriers and other specified employers subject to part I of the Interstate Commerce Act or to employees of air carriers, or to any seaman on an American vessel. Eliminated from the present section is the overtime exemption for employees of motor carriers, employees of pipelines, employees canning fish, and outside buyers of poultry, eggs, milk, and cream.

Section 13 (c) is amended to provide that children who are not exempt as employees in agriculture under 13 (a) (6) may not be exempt even when employed outside of school hours.

Section 13 (d) which exempts newsboys is deleted.

LEARNERS, APPRENTICES, AND HANDICAPPED WORKERS

Section 10: Deletes "messengers" from the categories of employees who are subject,

through regulation under section 14, to rates lower than the statutory minimum.

PENALTIES

Section 11 (a): Amends section 16 (a) to permit imprisonment for first offenses of persons who willfully violate the act, and retains provisions for a fine of not more than \$10,000 or imprisonment for 6 months or both.

Section 11 (b): Amends section 16 (c) to permit the Secretary, where authorized in writing, to sue on behalf of an employee to recover back wages and an additional equal amount as liquidated damages. The amendment also eliminates the vague provision which places a limitation on jurisdiction of cases which involve an issue of law not finally settled by the courts. It also deletes the 2-year statute of limitations.

INJUNCTION PROCEEDINGS

Section 12: Amends section 17 by deleting the proviso which prohibits courts, in suits brought by the Secretary to restrain violations, from ordering the payment of back wages and liquidated damages.

STATUTE OF LIMITATIONS

Section 13: New section. Provides for a 6-year statute of limitations applicable to all actions arising under the act and repeals the 2-year limitation in such suits as contained in the Portal-to-Portal Act of 1947.

EFFECTIVE DATE

Section 14: Provides that the amendments shall take effect 30 days from the date of enactment.

THE PROPOSED CONSTITUTIONAL AMENDMENT LIMITING CONGRESSIONAL POWER TO TAX INCOMES, INHERITANCES, AND GIFTS

Mr. DIRKSEN. Mr. President, in January 1953 the Honorable CHAUNCEY W. REED, of Illinois, introduced in the House and I introduced in the Senate a joint resolution proposing an amendment to the Constitution of the United States limiting the power of Congress to tax incomes, inheritances, and gifts—House Joint Resolution 103 and Senate Joint Resolution 23.

This amendment would limit income taxes to a maximum rate of 25-percent, but would permit Congress by a vote of three-fourths of the Members of each House to exceed that rate at any time without limit. Where the top rate exceeded 25 percent, however, it could be no more than 15 percentage points above the bottom rate. For example, if the bottom rate were 15 percent, the top rate could not exceed 30 percent. If the bottom rate were 20 percent, the top rate could not exceed 35 percent. If the top rate did not exceed 25 percent, however, there would be no restriction at all on the bottom rate. It could, for example, be 1 percent, or one-half of 1 percent.

This amendment would also deprive Congress of the power to impose death and gifts taxes, and would leave these means of raising revenue exclusively to the States, where they belong, and competition among the States would tend to keep the rates within reasonable bounds.

Representative REED and I are introducing this joint resolution again this year.

The proposed amendment has met with wide approval. Important national organizations have endorsed it, in-

84TH CONGRESS
1ST SESSION

H. R. 2851

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 1955

Mr. JENNINGS introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain Acts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the last sentence of section 407 of the Agricultural
4 Act of 1949 is amended to read as follows: "Except on a re-
5 imbursable basis, the Corporation shall not bear any costs
6 in connection with making such commodity available beyond
7 the cost of the commodity to the Corporation in store, the
8 cost of processing it into a form suitable for home or insti-
9 tutional use if it is a food commodity, and the handling and
10 transportation costs in making delivery of the commodity to

1 designated agencies at one or more central locations in each
2 State.”

3 SEC. 2. The next to last sentence of section 416 of the
4 Agricultural Act of 1949 is amended to read as follows:
5 “The Commodity Credit Corporation may pay (i) with
6 respect to food commodities disposed of under this section,
7 the cost of processing them into a form suitable for home or
8 institutional use, and (ii) with respect to all commodities
9 disposed of under this section, reprocessing, packaging, trans-
10 porting, handling, and other charges accruing up to the time
11 of their delivery to a Federal agency or to the designated
12 State or private agency, in the case of commodities made
13 available for use within the United States, or their delivery
14 free alongside ship or free on board export carrier at point
15 of export, in the case of commodities made available for use
16 outside the United States.”

84TH CONGRESS
1ST SESSION

H. R. 2851

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain Acts.

By Mr. JENNINGS

JANUARY 24, 1955

Referred to the Committee on Agriculture

84TH CONGRESS
1ST SESSION

H. R. 2823

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 1955

Mr. BURNSIDE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain Acts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the next to the last sentence of section 407 of the
4 Agricultural Act of 1949, as amended, is amended to read
5 as follows: "Except on a reimbursable basis, the Corpora-
6 tion shall not bear any costs in connection with making
7 such commodity available beyond the cost of the commodity
8 to the Corporation in store, the cost of processing it into
9 a form suitable for home or institutional use if it is a food
10 commodity, and the handling and transportation costs in
11 making delivery of the commodity to designated agencies

1 at one or more central locations in each State, such proc-
2 essing to be accomplished through private trade facilities to
3 the greatest extent possible.”.

4 SEC. 2. Section 416 of the Agricultural Act of 1949,
5 as amended, is amended by inserting before the last sentence
6 thereof a new sentence as follows: “In addition, in the case
7 of food commodities disposed of under this section for use
8 within the United States, the Commodity Credit Corporation
9 may pay the cost of processing such commodities into a
10 form suitable for home or institutional use, such processing
11 to be accomplished through private trade facilities to the
12 greatest extent possible.”.

84TH CONGRESS
1ST SESSION

H. R. 2823

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain Acts.

By Mr. BURNSIDE

JANUARY 24, 1955

Referred to the Committee on Agriculture

84TH CONGRESS
1ST SESSION

H. R. 3145

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1955

Mr. VAN ZANDT introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for direct distribution of surplus agricultural commodities and products to relieve acute distress due to unemployment, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That upon certification to the Secretary of Agriculture by
4 the Secretary of Labor that any area in the United States
5 has a substantial surplus of labor (according to standards
6 established by the Secretary of Labor under Defense Man-
7 power Policy Numbered 4 (18 F. R. 6995), or any similar
8 rule, regulation, order, or policy), and upon certification to
9 the Secretary of Agriculture by the Governor of the State
10 in which such area is located that there is acute distress

1 because of unemployment and that the State and local gov-
2 ernmental authorities do not have authority or funds to
3 effect distribution of surplus agricultural commodities and
4 products thereof made available pursuant to any other Act
5 to relieve the distress and requests the Secretary of Agri-
6 culture so to do, the Secretary is hereby authorized to
7 effect distribution of surplus agricultural commodities and
8 products thereof made available for relief distribution under
9 clause (2) of section 32, Public Law 320, Seventy-fourth
10 Congress, as amended (7 U. S. C. 612c), or by Commodity
11 Credit Corporation pursuant to section 416 of the Agricul-
12 tural Act of 1949, as amended (68 Stat. 458), directly to
13 families and persons determined to be in distress in such area
14 because of unemployment. The Commodity Credit Corpora-
15 tion, in addition to the payment of the costs authorized by
16 said section 416, may pay costs of processing any food com-
17 modity made available under that section into a form suit-
18 able for home use for distribution to relieve distress because
19 of unemployment.

20 SEC. 2. The Secretary is hereby authorized to expend
21 such amounts from the sums appropriated for the purposes
22 of section 32, Public Law 320, Seventy-fourth Congress,
23 as amended, without regard to the limitations therein con-
24 tained as to the amounts which may be expended in connec-
25 tion with one or more commodities, as he determines to be

1 necessary to effect any direct distribution undertaken by him
2 pursuant hereto, and the Secretary is further authorized to
3 obtain special services in connection with the distribution
4 of commodities on a contract or fee basis without regard to
5 section 3709, Revised Statutes, and to utilize any services
6 provided by public and private agencies. The uses of the
7 funds herein provided shall be in addition to and not in
8 substitution for other authorized uses of such funds.

A BILL

To provide for direct distribution of surplus agricultural commodities and products to relieve acute distress due to unemployment, and for other purposes.

By Mr. VAN ZANDT

JANUARY 26, 1955

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

March 17, 1955
March 16, 1955
84th-1st, No. 47

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HIGHLIGHTS: House Rules Committee cleared bill on donation of surplus property for education, etc. and Rep. Lane spoke in favor of this bill. House committee reported bills to reapportion rice allotments. Senate committee ordered reported bills to restore import control authority in Virgin Islands, permit ACP payments on Federal noncropland etc.

SENATE

1. TOBACCO. The Agriculture and Forestry Committee reported without amendment S. 1325, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, with regard to making false reports (S. Rept. 107); S. 1436, to preserve the tobacco acreage history of farms which voluntarily withdraw from the production of tobacco, and to provide that the benefits of future increases in tobacco acreage allotments shall first be extended to farms on which there have been decreases in such allotments (S. Rept. 109); and S. 1457, to redetermine the national marketing quota for burley tobacco for the 1955-56 marketing year (S. Rept. 111); and with amendments S. 1326, to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, regarding the increasing of penalty rates (S. Rept. 108); and S. 1327, to provide that in setting future tobacco allotments no credit will be given for any acreage grown in excess of the allotment (S. Rept. 110) (p. 2523).
2. VIRGIN ISLANDS; SOIL CONSERVATION; WHEAT. The Agriculture and Forestry Committee ordered reported without amendment S. 1166, to restore authority on imports of livestock and poultry into the Virgin Islands; and S. 1167, to permit ACP payments on Federal noncropland. The committee also ordered reported (pending comments from farm organizations or others) S. 46, to amend the Agricultural Adjustment Act of 1938 so as to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm. (p. D206.)

3. ~~CCC; CROP INSURANCE.~~ The "Daily Digest" states that the chairman of the Agriculture and Forestry Committee "was authorized to appoint subcommittees, as follows: ~~(1) Subcommittee to study and hold hearings on S. 23, 138, 493, 546, and 624, bills to relieve innocent purchasers of CCC's fungible goods from liability; (2) subcommittee to study and hold hearings on S. 661, to permit CCC to process food commodities for donation under certain acts; and (3) subcommittee to study and hold hearings on S. 1165, to amend the Federal Crop Insurance Act by including in the premiums administrative costs of the program" (p. D206).~~
4. DAIRY RESEARCH. Sen. Wiley inserted excerpts from a number of communications endorsing his bill, S. 788, to establish a dairy research center at Madison, Wis. (pp. 2530-1).
5. REA. Sen. Neuberger criticized the Hoover Commission report on lending agencies and its recommendations concerning REA, stated that "it would put our farmers again at the mercy of the banks and utilities which left them without lights prior to the Roosevelt administration," and inserted former Sen. Holman's statement opposing the "so-called power partnership program" (pp. 2561-2).
6. SUBSIDIES. Sen. Murray inserted a constituent's letter protesting "\$8 million of postal subsidies to Life magazine, which has repeatedly attacked the farmers" (p. 2531).
7. NOMINATIONS. Confirmed nomination of John Marshall Harlan to be an Associate Justice of the U. S. Supreme Court, and passed over nomination of Joseph Campbell to be Comptroller General at the request of Sen. Johnson, Tex. (pp. 2535-43, 2545-54, 2557-60).
8. FARM INCOME. Sen. Hickenlooper inserted and commended R. K. Bliss' (extension service, Iowa State College) recent radio address, "1954--A Fairly Prosperous 'Depression' Year," analyzing the "high level of agricultural income of 1954" and showing the reasons for it (pp. 2562-3).
9. TREATIES. Received from the U. S. Flag Committee, Long Island, N. Y., a petition urging enactment of the proposed Bricker amendment to limit the President's treaty making power (p. 2522).
10. WATER UTILIZATION; ELECTRIFICATION. Sen. Humphrey inserted a Clay County Commissioners' resolution requesting Congress to withdraw all restrictions on the completion of the Garrison Dam and Reservoir project, N. Dak. (pp. 2522-3).
11. RECESSED until Fri., Mar. 18. Legislative program, for Fri., as announced by Majority Leader Johnson: Bills to increase 1955 national cotton acreage allotments by approximately 258,000 acres, ^{and} to increase Federal employees' pay; and the nomination of Joseph Campbell to be Comptroller General. The Majority Leader also announced that the Senate will take a recess from Thursday afternoon, Apr. 7 to Mon., Apr. 11 for Easter (pp. 2560-1).
- HOUSE
12. RICE ALLOTMENTS. The Agriculture Committee reported without amendment H. R. 2639, to provide for reapportionment of rice acreage allotments voluntarily surrendered to the county committee (H. Rept. 222), and H. R. 4356, to divide

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS; Senate committee reported appropriation bill which includes Forest Service items. House conferees were appointed on USDA appropriation bill. House committee ordered reported bills to donate flour and meal to needy, repeal REA State formula, give CEA subpoena power, authorize land banks to purchase FFMC assets. Senate debated trade agreements bill. Sen. Clements commended tobacco referendum results and spoke in favor of 90% price supports. Sen. Humphrey urged farmers to continue wheat quotas and criticized flexible price supports. Sen. Martin, Pa., introduced and discussed bill to provide more State participation in water projects.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Reps. Whitten, Marshall, Deane, Natcher, Cannon, Andersen, Horan, Vursell, and Taber were appointed House conferees on this bill, H. R. 5239 (p. 4522). The conferees met but did not complete their work (p. D361).
2. SURPLUS COMMODITIES. The Agriculture Committee ordered reported (with an amendment in the nature of a substitute) H. R. 2851, providing for HEW to purchase flour and meal from USDA and donate it to the needy (p. D359).
3. PERSONNEL. Passed without amendment H. R. 3948, to remove the limitation that uniform allowances may be provided only to those who were required to wear uniforms when the Federal Employees Uniform Allowance Act was passed in 1954 (p. 4527). This bill will now be sent to the President.
Rep. Pelly spoke in favor of immediate passage of a classified pay raise bill (p. 4525).
4. FORESTRY. Passed without amendment H. R. 2679, to protect scenic values along Oak Creek Canyon in Coconino National Forest, Ariz. (p. 4527). A companion bill, S. 52, has been reported in the Senate.

5. WATER RESOURCES. Passed as reported H. R. 208, consenting to a compact between Ark. and Okla. regarding Arkansas River waters (p. 4529). This bill had been reported earlier in the day with amendment (H. Rept. 463)(p. 4534).
6. RURAL ELECTRIFICATION; COMMODITY EXCHANGES; FARM CREDIT. On Apr. 29 the Agriculture Committee voted to report H. R. 5376, to repeal the State allotment formula for REA; H. R. 4514, to authorize subpoenas under the Commodity Exchange Act; and S. 941, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (p. D359).
7. LAND TRANSFER. The Agriculture Committee ordered reported H. R. 1762, to direct sale of a tract of ARS land to Woodward, Okla. (p. D359).
8. BANKING AND CURRENCY. Both Houses received a message from the President recommending U. S. membership in the International Finance Corporation (H. Doc. 152); to Banking and Currency Committees (pp. 4522-3, 4516).
9. COOPERATIVES. Rep. Mason spoke in favor of H. R. 141, to amend the Capper-Volstead Act so as to provide for antitrust actions against large farmer cooperatives under certain circumstances (p. 4533).
10. FHA AUDIT. Received from the Comptroller General a report on the audit of the Farmers' Home Administration; to Government Operations Committee (p. 4534).
11. CHEESE. Rep. Johnson, Wis., announced that Wisconsin cheese would be served in the Capitol dining rooms (pp. 4524-5).

SENATE

12. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL FOR 1956. The Appropriations Committee reported with amendments this bill, H. R. 5085 (S. Rept. 261)(p. 4472). Attached is a table showing actions relating to FS and ARS. In addition, the committee added \$100,000 for weed control by the Bureau of Land Management. The bill also includes \$400,000 for salt-water research and \$390,000 for the Virgin Islands Corporation. Majority Leader Johnson indicated that the bill will probably be debated this week (pp. 4517-8, 4520).
13. TRADE AGREEMENTS. Began debate on H. R. 1, the trade agreements extension bill; adopted all committee amendments (See Digest 68) en bloc; agreed that the bill, as so amended, would be considered as original text for the purpose of further amendment; and adopted a technical, clarifying amendment by Sen. Byrd (pp. 4489-90, 4493-4510, 4512-20).
During debate on this bill Senators Byrd and Thye discussed the provisions to impose quotas on agricultural products under sec. 22 of the Agricultural Adjustment Act (pp. 4497-8), Sen. Robertson stated that the cotton-textile industry has little to fear from enactment of the bill (pp. 4506-8), and Sen. Mansfield stated that one of the most important answers to the agricultural surplus problem is an expanded foreign market (pp. 4513-6).
14. TOBACCO ALLOTMENTS; PRICE SUPPORTS. Sen. Clements stated that the results of the burley tobacco referendum demonstrate "an overwhelming acceptance by the growers of further reductions in acreage," and spoke in favor of 90% price supports on basic commodities (pp. 4483-4). Sen. Barkley commended the burley tobacco farmers on "this magnificent vote" for reduced acreage allotments (pp. 4483-4).

Motor-vehicle service: H. R. 4659, to correct inequities in pay schedules of dispatchers in the post-office motor-vehicle service.

Money orders: H. R. 4817, relating to the payment of money orders.

Passed over without prejudice:

Medal of Honor: H. R. 735, to provide \$100 per month pension to holders of the Medal of Honor.

Flood control: H. R. 3878, amending the Flood Control Act of 1941 pertaining to emergency flood-control work.

Alaska water resources: H. R. 3990, to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska.

Fine Arts: H. R. 4534, to amend the act establishing a Commission of Fine Arts.

Postal employees bonding: H. R. 4778, to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department, contractors of the Department, and Armed Forces mail clerks.

Objected to:

Bureau of Prisons: H. R. 3092, relating to overtime-compensation claim of employees of the Bureau of Prisons, Department of Justice, worked during period of March 3, 1931-43 (stricken from calendar).

Subversive activities control: H. R. 4753, to amend the Subversive Activities Control Act of 1950 to change the standard contained therein from 2 years to 3 years with respect to the past affiliation of individuals conducting the management of certain organizations.

Pages 4525-4529

Arkansas-Oklahoma Water Compact: Adopted a committee amendment and passed H. R. 208, granting the consent of Congress to the States of Arkansas and Oklahoma to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States.

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Bills Referred: Six Senate-passed bills were referred to appropriate committees.

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Program for Tuesday: Adjourned at 12:34 p. m. until Tuesday, May 3, at 12 o'clock noon, when the House will consider H. R. 12, to amend the Agricultural Act of 1949, as amended, with respect to price supports for basic commodities.

Committee Meetings

DONABLE COMMODITIES

Committee on Agriculture: Ordered the following bills reported to the House—

H. R. 1762, amended, to direct the Secretary of Agriculture to convey a tract of land situated in Woodward County, Okla., to the city of Woodward, Okla.; and

H. R. 2851, to make agriculture commodities owned by the Commodity Credit Corporation available to

needy persons in areas of acute distress. This bill was amended by the substitution of new provisions to supersede the original measure. Officials of the Department of Agriculture who testified today were True D. Morse, Under Secretary of Agriculture, and Robert L. Farrington, General Counsel.

RURAL ELECTRIFICATION—COMMODITIES— MORTGAGES

Committee on Agriculture: Voted, last Friday, to report the following bills to the House—

H. R. 5376, to amend the Rural Electrification Act by repealing the so-called State allotment formula in the act;

H. R. 4514, to amend the Commodities Exchange Act by authorizing the issuance of subpoenas incident to the conduct of investigation necessary in the administration of the act; and

S. 941, to authorize Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation.

DAIRY PRODUCTS

Committee on Agriculture: The Abernethy subcommittee met with A. C. Dahlbert, dairy department of Cornell University, New York, during last Friday's discussion on various aspects and factors of the dairy situation. Recessed until Thursday, May 5.

DOCTORS DRAFT

Committee on Armed Services: Completed public hearings last Friday on H. R. 2886, to extend to July 1, 1957, the authority to require the special registration, classification, and induction of certain medical, dental, and allied specialists groups. Hugh Milton II, Assistant Secretary of the Army, urged favorable consideration of the legislation. Walter B. Martin, president of the American Medical Association, presented testimony opposing the drafting of doctors into the Armed Forces. Recessed until Tuesday morning, May 3, for executive consideration of the proposed legislation.

INDIANS

Committee on Interior and Insular Affairs: The Haley subcommittee approved two bills last Friday for reporting to the full committee, as follows—H. R. 1802, amended, leasing certain lands of the Yakima Tribe to the State of Washington for preserving Fort Simcoe for historical purposes; and H. R. 4802, authorizing the execution of mortgages and deeds of trust on individual Indian trust or restricted land. H. R. 4783, a similar bill to H. R. 4802, was tabled.

Today, and also last Friday, the subcommittee considered H. R. 294, authorizing the leasing of restricted lands of the Cheyenne and Arapaho Tribes of Oklahoma for religious purposes, etc.; H. R. 2862, relating to leasing restricted Indian lands for religious, educational, etc., purposes, including farming and development of natural resources; and H. R. 2681, authorizing

leasing of restricted Indian lands in Arizona for religious, business, etc., purposes. Sundry pending Indian bills were also considered at today's session. Appearing at these sessions were Representative Wickersham, author of H. R. 294 and other bills; Representative Holmes, author of H. R. 1802; Frank Ducheneaux, chairman, tribal council, Cheyenne River Sioux Tribe, South Dakota; Louis J. O'Marr, Associate Commissioner, Indian Claims Commission, accompanied by James A. Langston; Howard Payne, representing the Cheyenne and Arapaho Tribes, accompanied by tribal council members; William Zimmerman, representing the Association on American Indian Affairs; and Lewis Sigler, Associate Solicitor, Bureau of Indian Affairs.

NATURAL GAS

Committee on Interstate and Foreign Commerce: Concluded public hearings today on H. R. 4560 and 4675, and related bills to amend the Natural Gas Act. The following officials of the Federal Power Commission testified—Jerome K. Kuykendall, Chairman, and Commissioners Claude L. Draper, Nelson Lee Smith, Seaborn L. Digby, and Frederick Stueck.

At last Friday's session the committee also heard testimony from Representatives Jarman, of Oklahoma, and Bailey, of West Virginia.

IMMIGRATION

Committee on the Judiciary: Subcommittee No. 1 heard testimony today on several private immigration bills.

AMERICAN LEGION—BANKRUPTCY ACT

Committee on the Judiciary: Subcommittee No. 4, last Friday, ordered reported to the full committee H. R. 3813, to amend the act incorporating the American Legion so as to redefine eligibility for membership therein; and H. R. 4791, to amend section 40 of the Bankruptcy Act, so as to increase salaries for part-time and full-time referees.

KEY AND CARD MAIL

Committee on Post Office and Civil Service: The Dowdy subcommittee completed a hearing last Friday on H. R. 4808, to provide for the transmission through the mails of keys and identification cards. Officials of the Post Office Department and representatives of the Disabled American Veterans testified on the proposed legislation.

FLOOD CONTROL

Committee on Public Works: The Davis (Tennessee) subcommittee held a hearing today on H. R. 4662, to reduce Federal cost for the development of flood control, navigation, and irrigation in the Willamette River Basin, Oreg., by providing for the construction, operation, and maintenance of power facilities and appurtenances at the Cougar Dam and Reservoir on the South Fork of the McKenzie River, Oreg. Testimony on the subject

was received from Representatives Ellsworth (author of the bill), Coon, and Green of Oregon; Senator Neuberger; and Col. E. Whipple, Corps of Engineers (Army); and many local interested citizens.

Also held hearings last Friday on H. R. 2587, authorizing and directing a full investigation of the problem of protecting Narragansett Bay and southern shores of New England from hurricane-tidal floods and similar bills; H. R. 3907, authorizing an appropriation of \$5 million to repair 1954 hurricane damage along the coast of South Carolina from Georgetown to Cherry Grove Beach; and H. R. 5312, authorizing an appropriation of \$5 million to repair hurricane damage along the coast of North Carolina which struck that area in 1954. Witnesses heard on H. R. 2587 were Representatives Forand, Derounian, Fogarty, Nicholson, Becker, Wainwright, and Seely-Brown. Speaking on H. R. 3907 was Representative McMillan (author); and on H. R. 5312, Representatives Carlyle (author) and Bonner. Many citizens of the affected areas also testified, along with Carter Page and Joseph Brennan for the Corps of Engineers (Army).

SMITHSONIAN INSTITUTE

Committee on Public Works: Subcommittee on Public Buildings and Grounds held a hearing last Friday on H. R. 4116 and 2114, to direct the regents of the Smithsonian Institute to prepare drawings and specifications for a museum building for the Smithsonian Institution. Testimony on the subject was received from Representatives Cannon, Vorys, and Brooks of Louisiana, members of the Smithsonian Board of Regents. Officials of Federal agencies and departments also testified.

SURVIVORS' BENEFITS

Select Committee on Survivors' Benefits: The Hardy subcommittee resumed hearings in connection with its study of benefits provided under Federal law for the surviving dependents of deceased members and former members of the Armed Forces. Testifying at today's session were representatives of the DAV, Retired Officers' Association, Commissioned Officers' Association of the United States Public Health Service, Fleet Reserve Association, AMVETS, and the VFW. Recessed until tomorrow afternoon when officials of the Social Security Administration are scheduled to testify.

Joint Committee Meetings

AEC CONSTRUCTION

Joint Committee on Atomic Energy: Subcommittee on Authorizing Legislation met in executive session to review AEC's request for construction of plant and procurement of equipment. AEC representatives at this meeting were Acting Chairman Libby, Commissioner Murray, Kenneth Fields, General Manager, and division heads.

Digest of CONGRESSIONAL PROCEEDINGS

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OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: House debated price support bill. House committee ordered reported bill for Federal loans for non-Federal reclamation projects. Senate debated trade agreements bill. Sen. Symington criticized Mo. ASC committee. Sen. Aiken introduced and discussed bill to cooperate with States in reforestation.

HOUSE

1. PRICE SUPPORTS. Began debate on H. R. 12, to provide for 90% price supports on basic commodities. General debate was concluded, and the bill is to be read for amendment today. (pp. 4539-94.)
2. PERSONNEL. Agreed to H. Con. Res. 121, requesting the President to return for correction S. 1094, to clarify the Federal Employees' Uniform Allowance Act (pp. 4594-5).
3. CCC CLAIMS. Transferred from the Agriculture Committee to the Banking and Currency Committee H. R. 2137, 2872, 2007, 694, and 646, to relieve from CCC claims persons who innocently purchase converted fungible goods (p. 4594).
4. RESERVE MANPOWER. The Rules Committee reported a resolution for consideration of H. R. 5297, the military reserve manpower bill (p. 4538).
5. ANIMAL DISEASE. The Agriculture Committee ordered reported H. R. 4576, to provide for certain indemnity payments in Iowa on account of vesicular exanthema which could not be made because of a technicality (p. D367).
6. DROUGHT RELIEF. The Agriculture Committee considered but postponed action on H. R. 4176, to provide that feed furnished in disaster areas shall be made available for working stock and hogs (p. D367).

7. CIVIC AUDITORIUM. The Rules Committee reported a resolution for consideration of H. R. 1825, creating a commission to plan a D. C. civic auditorium (p. 4609).
8. RECLAMATION; LOANS. The Interior and Insular Affairs Committee ordered reported H. R. 5881, to provide for Federal cooperation in non-Federal reclamation projects and for non-Federal cooperation in Federal projects (p. D368).
9. SALT-WATER RESEARCH. The Rules Committee ordered reported a resolution for consideration of H. R. 2126, to expand the salt-water research program (p. D368).
10. IMPORTS. The Ways and Means Committee ordered reported H. R. 5560, making permanent the existing privilege of free importation of personal and household goods under Government orders, and H. R. 5675, continuing through June 1958 the suspension of import taxes on copper (p. D369).
11. POSTAL PAY. The conferees agreed to report a revised version of S. 1, the postal pay bill (pp. D369-70).
12. SURPLUS COMMODITIES. The revision of H. R. 2851, as ordered reported by the House Agriculture Committee, provides as follows: Requires CCC to make available to HEW, for providing emergency assistance to the needy, agricultural commodities and products (including cereals and cereal products) acquired through price support operations. Authorizes CCC to pay processing and other charges up to the time of delivery to central locations in States. Upon certifications of the Labor Department and the Governors as to need, directs HEW to make such commodities and products available to State agencies. Provides that CCC make Sec. 416 commodities available without compensation and that HEW reimburse CCC for other commodities at the acquisition cost or current support price (whichever is lower) plus the costs of processing, etc. Provides that CCC expenditures under this bill may be made in advance of appropriations and shall be entered as accounts receivable.
13. EXPORT-IMPORT BANK. H. Doc. 150 (Apr. 23) is a proposed increase in the amount of \$300,000 in the limitation on expenses (to provide for additional staff and other expenses required for a growing workload) for the fiscal year 1956 for the Export-Import Bank of Washington.
14. SOIL CONSERVATION. The amendments by Sen. Holland and others to H. R. 1573, to repeal the ACP-acreage allotments tie-in, (see Digest 71), would exempt from the present ACP-acreage allotments tie-in farmers harvesting corn for ensilage, wheat in an amount not in excess of 15 acres, a commodity or a crop on which producers have rejected marketing quotas in a referendum, or peanuts for seed to be used for the raising of peanuts for hogs. The amendments would also require applicants to establish their eligibility for payments in such manner as the Secretary may prescribe by regulation.

SENATE

15. TRADE AGREEMENTS. Continued debate on H. R. 1, the trade agreements extension bill (pp. 4620-1, 4631, 4634-43, 4645-97), and agreed to limit debate on bill and that no nongermane amendment will be received (p. 4621). Sens. Beall, Morse, O'Mahoney, and Humphrey submitted amendments to be proposed to this bill.
During debate on this bill Sen. Malone stated that "H. R. 1 is an economic Yalta," and that, "Farmers, too, ... will be an early target of the global free trade agency, as will producers of milk, butter, cheese, and other farm commodities" (pp. 4648-51). Sen. Malone also spoke in favor of giving

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HIGHLIGHTS: House committee reported surplus-commodities donation bill. House concurred in Senate amendments to bill relieving innocent purchasers of converted goods from CCC claims. Ready for President. House members commended REA program. House debated reserve manpower bill and defense appropriation bill. Senate committee reported bill to increase per diem allowances. Senators commended REA program.

HOUSE

- 1. SURPLUS COMMODITIES.** The Agriculture Committee reported with amendment H. R. 2851, to authorize CCC to process food commodities for donation to the needy (H. Rept. 583)(p. 5255). For provisions of this bill as reported, see Digest No. 72.
Reps. Murray and Mack, both of Ill., spoke against plans of the State Government to discontinue certain relief distribution of surplus foods there (pp. 5238-9).
- 2. CCC CLAIMS.** Concurred in the Senate amendments to H. R. 1831, to protect innocent purchasers of fungible goods converted by warehousemen from CCC claims (p. 5195). This bill will now be sent to the President.
- 3. DEFENSE APPROPRIATION BILL FOR 1956.** Began debate on this bill, H. R. 6042 (pp. 5195-6, 5200-222).
- 4. RESERVE MANPOWER.** Began debate on H. R. 5297, to provide for strengthening the Reserve Forces for national defense (pp. 5196-200).
- 5. RURAL ELECTRIFICATION.** Several members commended the REA program on its anniversary (pp. 5223-37).
- 6. LAND TRANSFER.** The Agriculture Committee reported with amendment H. R. 1762, to

sell an ARS land tract to Woodward, Okla. (H. Rept. 584)(p. 5255).

7. TRADE AGREEMENTS. Rep. Hand criticized the trade agreements program (pp. 5237-8).
8. PRICE DISCRIMINATION. Rep. Patman inserted his statement favoring the Robinson-Patman Act and additional anti-price discrimination legislation (pp. 5239-54).
9. LEGISLATIVE PROGRAM. Majority Whip Albert announced that the House is expected to adjourn from today until Mon. if action on the defense appropriation bill is completed. Agreed to have the consent calendar called Tues. (p. 5222.)

SENATE

10. TRAVEL EXPENSES. The Post Office and Civil Service Committee reported without amendment S. 1580, to increase the maximum per diem and subsistence allowance of Federal employees from \$9 to \$13 per day, and the maximum auto allowance from 7 to 10 cents per mile (S. Rept. 348) (p. 5109).
11. POSTAL PAY. Agreed to the conference report on S. 1, the postal pay bill (pp. 5174-8). This bill will now be sent to the President.
12. PERSONNEL. Agreed to, as reported, S. Res. 33, providing for an investigation by the Post Office and Civil Service Committee, of the administration of the civil service system by the Civil Service Commission and other Government agencies (p. 5179).
13. SUGAR QUOTAS. Sen. Allott inserted a Denver Chamber of Commerce resolution urging immediate domestic sugar quota increases (pp. 5105-6).
14. FORESTRY. Sen. McNamara inserted a University of Michigan resolution requesting adequate funds for the Forest Service for the development of recreational facilities and for wildlife management on the national forests (p. 5107).
15. WATER POLLUTION. Sen. Humphrey inserted a Minn. Water Pollution Control Commission resolution opposing S. 890, a bill to amend and extend the Water Pollution Control Act (p. 5108).
16. REAL PROPERTY. Sen. Humphrey inserted a City Council of St. Paul, Minn., resolution recommending passage of S. 1566, proposing payments to State and local governments on Federal real property (p. 5108).
17. ELECTRIFICATION: WATER RESOURCES. Sen. Neuberger criticized the administration's water resource and power development policies, and inserted several newspaper articles on this subject (pp. 5143-4).
Sens. Johnson, McClellan, Fulbright, Morse, and others, commended REA on its 20th anniversary, discussed the development of the rural electrification program, and stated "it has been an institution characterized by wise management, sound business practice, and by the extension of credit at reasonable rates of interest over a long period of time" (pp. 5144-60, 5182-6).
18. RECESSED until Friday, May 13 (p. 5179).

PROVIDING SURPLUS FARM COMMODITIES FOR RELIEF DISTRIBUTION IN CERTAIN AREAS

MAY 11, 1955.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H. R. 2851]

The Committee on Agriculture, to whom was referred the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That for the purpose of providing emergency assistance to persons determined to be in need in the United States pursuant to section 2 of this Act the Commodity Credit Corporation shall make available to the Secretary of Health, Education, and Welfare such agricultural commodities or products thereof, including cereals and cereal products, acquired through price-support operations as the said Secretary shall requisition pursuant to section 2 hereof. With respect to commodities thus made available the Commodity Credit Corporation may pay processing, reprocessing, packaging, transporting, handling, and other charges up to the time of their delivery to one or more designated central locations in each State.

SEC. 2. Upon certification to the Secretary of Health, Education, and Welfare (hereinafter referred to as the Secretary) by the Secretary of Labor that any area in the United States has a substantial surplus of labor (according to standards established by the Secretary of Labor under Defense Manpower Policy Numbered 4 (18 F. R. 6995), or any similar rule, regulation, order or policy), or upon determination by the President that any area has suffered a major disaster warranting assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), and upon certification to the Secretary by the governor of the State in which such area is located that there is acute distress in such area because of conditions prevailing therein, the Secretary is hereby directed to make available to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary for distribution to families and persons determined to be in need in such area agricultural com-

modities and the products thereof acquired by the Commodity Credit Corporation through price-support operations in such quantity as the Secretary determines can be effectively distributed and utilized and to requisition from the said Corporation such quantities of such commodities as the Secretary determines to be required for such distribution.

SEC. 3. The Commodity Credit Corporation shall make available without compensation to the Secretary of Health, Education, and Welfare pursuant to section 2 hereof commodities which the Secretary of Agriculture determines to be available for donation under section 416 of the Agricultural Act of 1949, as amended. With respect to all other commodities, including cereals, made available pursuant to section 2, the Commodity Credit Corporation shall be reimbursed by the Secretary of Health, Education, and Welfare for the acquisition cost of the commodity to the Commodity Credit Corporation or the current support price (whichever is lower) plus the costs of any processing, reprocessing, packaging, transporting, or handling required for delivery of the commodity pursuant to section 2 which the Secretary of Agriculture determines to be in excess of the normal costs incurred in moving such agricultural commodity into normal commercial channels. Expenditures authorized by this Act may be made by the Commodity Credit Corporation in advance of appropriations and shall be entered on the books of the Corporations as accounts receivable.

SEC. 4. There are hereby authorized to be appropriated from any moneys in the Treasury not otherwise appropriated such sums as are required for the purposes of this Act.

STATEMENT

The purpose of this bill, as introduced, was to authorize the Department of Agriculture to process wheat and corn into flour and cornmeal for distribution to needy persons in the United States. H. R. 2851 was one of several generally similar bills which have been introduced primarily by Members of Congress in whose districts there is widespread unemployment and hardship because of the closing down of coal mines. The objective of these bills was to provide for the distribution of surplus wheat and corn in the form of flour and cornmeal to miners and their families, and others similarly in distress.

Hearings were held before both the Domestic Marketing Subcommittee and the full Committee on Agriculture. Witnesses included many of the authors of the bills, officials of the Department of Agriculture, and representatives of farm organizations. There seems to be very general agreement with the need of unemployed miners and others for wheat flour and cornmeal to supplement the assistance they are already receiving, but there was substantial disagreement as to whether this might be accomplished under the present provisions of law and whether it is, in fact, a part of the operation of a farm program.

Following are the bills which were considered by the committee during the course of this hearing:

H. R. 2805, Mr. Bailey	H. R. 3127, Mr. Morgan
H. R. 2823, Mr. Burnside	H. R. 3144, Mr. Van Zandt
H. R. 2824, Mr. Byrd	H. R. 3145, Mr. Van Zandt
H. R. 2851, Mr. Jennings	H. R. 3249, Mr. Gray
H. R. 2855, Mrs. Kee	H. R. 3317, Mr. Kelley
H. R. 2864, Mr. Mollohan	H. R. 3706, Mr. Siler
H. R. 2871, Mr. Perkins	H. R. 3947, Mr. Staggers

These bills presented again to the committee a problem which it has faced many times in the past of being asked to take legislative action in the field of our agricultural programs with respect to a problem which is essentially one of relief, not directly a part of our agricultural program itself. Time after time the most meritorious

sort of appeals to provide surplus agricultural commodities to particular groups or areas have been presented to the committee. The committee has been most sympathetic to the plight of the persons in need of assistance, and in the past has gone to great lengths to meet those needs, although in many instances the committee could not find, in all good conscience, that the proposed relief program bore any substantial relationship to the carrying out of the farm program, which is the guiding responsibility of this committee.

This situation is exemplified by the present bill and those similar to it. As introduced and referred to the Committee on Agriculture, this bill authorized the Commodity Credit Corporation to process agricultural commodities into a form suitable for home or institutional use. It did not change or enlarge the basic authority of the Corporation or of the Department of Agriculture to make such commodities available, regardless of the fact that the Secretary of Agriculture has not made wheat and corn available for relief distribution in the United States although he has the authority to do so.

EXISTING LAW

Distribution of these commodities could be made now under the authority of either section 407 or section 416 of the Agricultural Act of 1949, as amended by the Congress in Public Law 480, 83d Congress. However, these commodities would be available under the authority of section 407 of the act only after a Presidential finding that such distribution "will not displace or interfere with normal marketing of agricultural commodities." If the commodities were made available under the authority of section 416, the Secretary of Agriculture would have to find that they were being disposed of "in order to prevent the waste of commodities acquired through price-support operations." In addition, the Secretary would have to "obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donations."

The efforts of the Department of Agriculture to rationalize this situation are set out in its report on H. R. 2851:

The domestic distribution of wheat flour and cornmeal cannot be justified on the basis of the need for surplus disposal operations. Such distribution would be more in the nature of a welfare or a relief program, which is not a direct responsibility of this Department.

Wheat and corn are storable commodities, and with stock rotation, there presently is not a danger of substantial loss or waste of CCC-owned stocks. From the standpoint of inventory management, particularly since stocks of wheat and corn can be considered a reserve for strategic purposes, the Department's first responsibility is to secure all possible sales.

Moreover, as a possible surplus disposal operation, the domestic distribution of wheat flour and cornmeal would have limited impact. The amounts so moved would be small in relation to the size of present holdings. The additional costs to CCC (including administrative costs) would outweigh any probable increase in domestic consumption of wheat and corn or any possible net reduction in the level of Government stocks.

Because of the widespread use of cereal products, we also believe that it would be difficult to avoid significant interference with normal marketings of wheat flour and cornmeal, particularly in the case of schools and institutions. Even among needy persons and families, because of their relatively high consumption of cereal products, we would anticipate that a donation program would result in only a small overall increase in the use of cereal products.

THE PROBLEM OF RELIEF DISTRIBUTION

As in the amendments adopted in 1954, the committee has done its best in the past to try to provide authority for the relief distribution of surplus foods in the United States that were as liberal as it believed to be consistent with the integrity of our agricultural program. In each instance, however, it has reached a point beyond which it felt it could not go and still justify its action as part of the farm program.

The limitations which the Congress put on the disposal of surplus commodities for domestic welfare purposes in Public Law 480, 83d Congress, were the minimum which the committee felt could be attached to this type of disposal and still justify such disposal as a part of the farm program. It must be recognized that there are situations meriting assistance to individuals on the part of the Federal Government which, even though they may deal with surplus agricultural commodities, are no part of the farm program but are in fact relief operations and should be dealt with as such.

In the present instance, those in distress from unemployment and other causes are already receiving donations of those food commodities, acquired by CCC in carrying out its price-support operations, which are perishable in nature and have been declared available for donation to prevent the possibility of their being wasted. The objective of the authors of most of the bills considered by the committee was to add wheat flour and cornmeal to the list of commodities available for distribution to those in need.

In striking out the language of H. R. 2851 and substituting what is in effect a committee bill, the committee has used this and similar bills not only to accomplish their intended purpose but also to take what it believes to be logical and reasonable additional steps to strengthen both our assistance to needy persons and our agricultural program. The amendment was offered by Mr. Poage and was approved by the committee unanimously.

COMMITTEE AMENDMENT

Briefly, the committee amendment will transfer from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare responsibility over the distribution of surplus agricultural commodities for relief purposes in two specific types of distress areas. Those commodities which are available for donation under section 416 of the Agricultural Act of 1949 will be made available to the Secretary of Health, Education, and Welfare without charge. Other commodities, which are not perishable and thus are not available for donation generally, will be made available also but CCC will be reimbursed for these commodities and for any extra processing or handling required to make them available for relief distribution.

The bill, as amended, is limited in its operations to two specific types of distress areas: Those designated by the Secretary of Labor as areas of "substantial labor surplus" and those designated by the President as warranting assistance by the Federal Government under Public Law 875, 81st Congress, because of a major disaster. The first type of area will include those suffering acute economic distress such as results from the closing down of coal-mining operations. The latter type of area will include agricultural areas suffering disaster from drought and similar natural causes.

Even though an area may be included in one of the above designations, the program authorized in the bill will not become operative therein until (1) the Governor of the State has certified to the Secretary of Health, Education, and Welfare that there is acute distress in the area because of the conditions prevailing there and (2) arrangements satisfactory to the Secretary have been made with a properly designated State agency for distribution of the food within the area.

The quantity of surplus food commodities which may be requisitioned by the Secretary of Health, Education, and Welfare for distribution under this program is limited to that quantity which can be effectively distributed and utilized by families and persons determined to be in need in the areas approved by the Secretary for inclusion in the program. It is assumed that the determination of persons in need will be made by State or local agencies and that the criteria will be substantially the same as those now required by the Secretary of Agriculture for the determination of eligible recipients of perishable commodities under section 416 of the 1949 act.

DEPARTMENT OF AGRICULTURE RESPONSIBILITY

It should be noted that the bill does not change in any way the authority and responsibility of the Secretary of Agriculture for surplus disposal programs generally. It merely places under the jurisdiction of the Secretary of Health, Education, and Welfare responsibility for what is essentially a relief program in a limited area.

Commodities which the Secretary of Agriculture has declared available for donation under section 416 of the 1949 act will be made available for this program without charge, including the cost of reprocessing, handling, and transporting such commodities to a central distribution point or points in each State. Thus the farm program will, as the committee believes it should, bear the cost of disposing of those commodities which have been acquired to support agricultural prices but which are perishable in nature and must be disposed of in some manner within a relatively short period of time.

In the case of those commodities not regarded as perishable, where the CCC is not faced with the necessity of disposal in order to prevent possible wastage, compensation will be made to CCC for the acquisition cost of the commodities or the current support price (whichever is lower) plus any unusual costs which CCC has incurred in processing and making these commodities available for the relief program. With respect to these commodities, the farm program will bear the cost of storage and handling up to the time they are delivered to the Secretary of Health, Education, and Welfare for relief purposes, and also that portion of the delivery and handling costs which CCC would have incurred had the commodity been moved into commercial trade channels. The relief program will bear, as the committee believes it should the balance of the expense of making these storable commodities available for relief purposes.

In connection with the processing of wheat, corn, and other grains into flour, cornmeal, or other products suitable for home consumption, it is the belief of the committee that the language of the bill is broad enough to permit the purchase by CCC for the account of the Secretary of Health, Education, and Welfare of equivalent quantities of the

processed products, rather than going through the possibly more expensive procedure of arranging for the processing and packaging of grain actually in CCC warehouses.

The bill will permit the program to get underway as rapidly as the Secretary of Health, Education, and Welfare can assume administrative jurisdiction over it, without the necessity of waiting for an advance appropriation for the reimbursement of the CCC.



84TH CONGRESS
1ST SESSION

H. R. 2851

[Report No. 583]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 1955

Mr. JENNINGS introduced the following bill; which was referred to the Committee on Agriculture

MAY 11, 1955

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain Acts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the last sentence of section 407 of the Agricultural
4 Act of 1949 is amended to read as follows: "Except on a re-
5 imbursable basis, the Corporation shall not bear any costs
6 in connection with making such commodity available beyond
7 the cost of the commodity to the Corporation in store, the
8 cost of processing it into a form suitable for home or insti-
9 tutional use if it is a food commodity, and the handling and
10 transportation costs in making delivery of the commodity to

1 designated agencies at one or more central locations in each
2 State.”

3 SEC. 2. The next to last sentence of section 416 of the
4 Agricultural Act of 1949 is amended to read as follows:
5 “The Commodity Credit Corporation may pay (i) with
6 respect to food commodities disposed of under this section,
7 the cost of processing them into a form suitable for home or
8 institutional use, and (ii) with respect to all commodities
9 disposed of under this section, reprocessing, packaging, trans-
10 porting, handling, and other charges accruing up to the time
11 of their delivery to a Federal agency or to the designated
12 State or private agency, in the case of commodities made
13 available for use within the United States, or their delivery
14 free alongside ship or free on board export carrier at point
15 of export, in the case of commodities made available for use
16 outside the United States.”

17 *That, for the purpose of providing emergency assistance to*
18 *persons determined to be in need in the United States pur-*
19 *suant to section 2 of this Act, the Commodity Credit Cor-*
20 *poration shall make available to the Secretary of Health,*
21 *Education, and Welfare such agricultural commodities or*
22 *products thereof, including cereals and cereal products, ac-*
23 *quired through price support operations as the said Secretary*
24 *shall requisition pursuant to section 2 hereof. With respect*
25 *to commodities thus made available the Commodity Credit*

1 Corporation may pay processing, reprocessing, packaging,
2 transporting, handling, and other charges up to the time of
3 their delivery to one or more designated central locations in
4 each State.

5 SEC. 2. Upon certification to the Secretary of Health,
6 Education, and Welfare (hereinafter referred to as the Sec-
7 retary) by the Secretary of Labor that any area in the United
8 States has a substantial surplus of labor (according to
9 standards established by the Secretary of Labor under De-
10 fense Manpower Policy Numbered 4 (18 F. R. 6995), or
11 any similar rule, regulation, order or policy), or upon de-
12 termination by the President that any area has suffered a
13 major disaster warranting assistance by the Federal Govern-
14 ment under Public Law 875, Eighty-first Congress (42
15 U. S. C. 1855), and upon certification to the Secretary by
16 the Governor of the State in which such area is located that
17 there is acute distress in such area because of conditions pre-
18 vailing therein, the Secretary is hereby directed to make avail-
19 able to such State agency or agencies as may be designated by
20 the proper State authority and approved by the Secretary for
21 distribution to families and persons determined to be in need
22 in such area agricultural commodities and the products thereof
23 acquired by the Commodity Credit Corporation through price
24 support operations in such quantity as the Secretary deter-
25 mines can be effectively distributed and utilized and to requi-

1 sition from the said Corporation such quantities of such
2 commodities as the Secretary determines to be required for
3 such distribution.

4 *SEC. 3. The Commodity Credit Corporation shall make*
5 *available without compensation to the Secretary of Health,*
6 *Education, and Welfare pursuant to section 2 hereof com-*
7 *modities which the Secretary of Agriculture determines to be*
8 *available for donation under section 416 of the Agricultural*
9 *Act of 1949, as amended. With respect to all other com-*
10 *modities, including cereals, made available pursuant to section*
11 *2, the Commodity Credit Corporation shall be reimbursed*
12 *by the Secretary of Health, Education, and Welfare for*
13 *the acquisition cost of the commodity to the Commodity Credit*
14 *Corporation or the current support price (whichever is*
15 *lower) plus the costs of any processing, reprocessing, pack-*
16 *aging, transporting, or handling required for delivery of*
17 *the commodity pursuant to section 2 which the Secretary*
18 *of Agriculture determines to be in excess of the normal costs*
19 *incurred in moving such agricultural commodity into normal*
20 *commercial channels. Expenditures authorized by this Act*
21 *may be made by the Commodity Credit Corporation in*
22 *advance of appropriations and shall be entered on the books*
23 *of the Corporation as accounts receivable.*

1 *SEC. 4. There are hereby authorized to be appropriated,*
2 *from any moneys in the Treasury not otherwise appropriated,*
3 *such sums as are required for the purposes of this Act.*

Amend the title so as to read: “A bill to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress.”

84TH CONGRESS
1ST SESSION

H. R. 2851

[Report No. 583]

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain Acts.

By Mr. JENNINGS

JANUARY 24, 1955

Referred to the Committee on Agriculture

MAY 11, 1955

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

May 19, 1955

on May 24 (pp. 5626-7, 5642-3).

11. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendments S. 1464, to authorize the Interior Department to acquire rights-of-way and existing connecting roads for access roads to public lands under its jurisdiction (S. Rept. 364)(p. 5603).
12. ROADS. Sen. Byrd inserted several newspaper articles commenting on the President's proposed road program (pp. 5619-23).
13. FORESTRY; MINING. Sen. Humphrey spoke in favor of S. 1713, to provide protection of national forests from unreasonable mining claims, and inserted a Sport Fishing Institute Bulletin article, "Mining Claims and Fishing," discussing this subject (pp. 5624-5).
14. PERSONNEL. Received a draft of proposed legislation from the Civil Service Commission to amend the Federal Employees' Group Life Insurance Act of 1954; to Post Office and Civil Service Committee (p. 5601).
15. SEED STORAGE. Received a resolution of the Greater North Dakota Association favoring the establishment of a national seed storage facility (p. 5603).
16. OLEOMARGARINE. Sen. Thyne remarked on actions under consideration by the Federal Trade Commission against certain manufacturers of oleomargarine who have allegedly used false advertising to the detriment of the dairy industry (pp. 5613-4).
17. ELECTRIFICATION; RECLAMATION. Sen. Murray inserted an article from America by Mark J. Fitzgerald, S. J., in support of S. 1333 to construct a high dam on the Snake River (pp. 5618-9).
Sen. Watkins exchanged remarks with Sen. Kuchel on the value of the Colorado River Storage project, and inserted a statement by W. A. Dexheimer in support of the project (pp. 5639-41).
Sen. Neuberger commented in support of the Crooked River Project and the proposal to use power revenues to help finance the project. W. A. Dexheimer's statement is included in support thereof. (pp. 5648-9.)
Sen. Neuberger inserted an editorial from the St. Louis Post-Dispatch critical of the Administration's program to permit development of the Hells Canyon project by Idaho Power and urging the construction of a high dam by the Federal government (pp. 5649-50).

HOUSE

18. RESERVE FORCES. Continued debate on H. R. 5297, to provide for strengthening of the Reserve Forces (pp. 5651-63).
 19. SURPLUS COMMODITIES; ~~RECLAMATION~~. The Rules Committee ordered reported resolutions for consideration of H. R. 2851, to authorize CCC to process food commodities for donation to the needy; and H. R. 5881, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects (p. 5642).
- The Interior and Insular Affairs Committee reported with amendment H. R. 4663, to authorize the Trinity River division, Central Valley project, Calif. (H. Rept. 602) (p. 5699).

20. TRAVEL EXPENSE. The Government Operations Committee reported with amendment H. R. 6295, to provide for an increase in maximum per diem allowance for subsistence and travel expenses (H. Rept. 604) (p. 5699).
21. APPROPRIATIONS. Passed with amendments H. R. 6239, the D. C. appropriation bill for 1956 (pp. 5666-85).
Passed as reported H. J. Res 310, the second urgent deficiency appropriation bill, 1955 (p. 5686). The joint resolution, which had been reported without amendment earlier in the day (H. Rept. 605), provides 263,475 for the Commission on Organization of the Executive Branch of the Government and \$25 million for the Veterans' Administration for readjustment benefits (p. 5699).
The Appropriations Committee reported without amendment H. R. 6367, the Department of Commerce and related agencies appropriation bill for 1956 (H. Rept. 603) (p. 5699).
22. FARM PROGRAM; RECLAMATION. Rep. Holifield criticized the administration's present flexible price support program, the reduction in acreage allotments, and the proposed upper Colorado River project (pp. 5687-93).
23. PRICE SUPPORTS. Rep. Meader inserted a Jackson Citizen Patriot editorial objecting to his criticism of Gov. Williams' support of H. R. 12, the 90 per cent price support bill (pp. 5663-4).
24. TRADE AGREEMENTS. Rep. Bailey criticized certain provisions of H. R. 1, the trade agreements extension bill, as passed by the Senate (pp. 5693-6).
25. ELECTRIFICATION. Received a Mo. Legislature resolution urging an appropriation for the Southwestern power Administration, and to make power available to all who need it (p. 5699).
26. SCHOOL MILK. Received an Hawaiian Legislature resolution urging extension of the special school milk program to Hawaii (p. 5699).
27. ADJOURNED until Mon., May 23 (p. 5699). Legislative program as announced by Majority Leader McCormack: Mon., D. C. bills; Tues., Commerce appropriation bill; Wed., Thurs., and Fri., H. R. 2851, surplus commodities donation bill, and H. R. 5881, loans to small reclamation projects (p. 5686).
28. REORGANIZATION; PERSONNEL. H. Doc. 164 (see Digest 81) is a Presidential recommendation that Congress approve a GS-18 position, in lieu of a GS-17 position, for the President's Advisory Committee on Government Organization.

BILLS INTRODUCED

29. WHEAT. S. 2013, by Sen. Schoeppel, to provide for an emergency wheat program to be effective in 1956 if producers disapprove marketing quotas for the 1956 wheat crop; to Agriculture and Forestry Committee (p. 5604). Remarks of author (p. 5605).
30. INFORMATION. S. 2017, by Sen. Langer, to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies of names, emblems, and insignia to indicate Federal agency; to Judiciary Committee (p. 5604).
31. PERSONNEL. S. 2019, by Sen. Carlson, to amend the Federal Employees' Group Life Insurance Act of 1954; to Post Office and Civil Service Committee (p. 5604). Remarks of author (p. 5606).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 24, 1955
For actions of May 23, 1955
84th-1st, No. 85

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HIGHLIGHTS: Senate committee reported Mexican fence bill and salt-water research bill. Senate debated road bill. House agreed to conference report on Treasury-Post Office appropriation bill and to Senate amendments to bill to provide additional surplus property for education and health agencies. Both bills ready for President. House Rules Committee cleared bills for loans to small reclamation projects and for donations of surplus commodities. House committee ordered reported Mexican farm labor bill. President approved agricultural appropriation bill and bill to repeal ACP tie-in with acreage allotments.

HOUSE

1. APPROPRIATIONS. Agreed to the conference report on H. R. 4876, the Treasury-Post Office appropriation bill for 1956 (pp. 5812-3). This bill will now be sent to the President.
2. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 5881, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects (pp. 5814, 5837).
Reps. Holifield and Dawson (Utah) discussed the proposed upper Colorado River project and some of the effects it would have on agriculture (pp. 5825-8).
3. SURPLUS COMMODITIES. The Rules Committee reported a resolution for consideration of H. R. 2851, to authorize CCC to process food commodities for donation to the needy through HEW (pp. 5821, 5837).
4. SURPLUS PROPERTY. Concurred in Senate amendments to H. R. 3322, to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public health purposes (pp. 5813-4). This bill will now be sent to the President.

5. ROADS. The Public Works Committee reported without amendment H. R. 5923, to authorize appropriations for completion of the Inter-American Highway (H.Rept. 611) (p. 5837).
6. FARM LABOR. The Agriculture Committee voted to report H. R. 3822, extending for $3\frac{1}{2}$ years (until June 30, 1959), the program of recruitment of agricultural workers from Mexico (p. 1453).
7. ORGANIZATION. Rep. Patman discussed and criticized certain recommendations of the Hoover Commission, especially those relating to veterans and their dependents (pp. 5821-3).
8. BANKING AND CURRENCY. The Banking and Currency Committee reported without amendment H. R. 6227, to provide for the control and regulation of bank holding companies (H. Rept. 609) (p. 5837).
9. ELECTRIFICATION; LANDS. Both Houses received Hawaiian Legislature resolutions requesting REA to investigate the possibility of setting up a rural-electrification cooperative to serve certain areas in Hawaii, and urging the amendment of certain patents of Government lands containing restrictions as to the use of such lands (pp. 5837, 5742).

SENATE

10. ROADS. Continued debate on S. 1048, to authorize appropriations for continuing the construction of highways. Agreed to the committee amendments en bloc. Sen. Martin submitted an amendment in the nature of a substitute which was still pending at recess. (pp. 5754-92, 5795-5809.)
11. SECOND URGENT DEFICIENCY APPROPRIATIONS, 1955. The appropriations Committee/
amendment this measure, H. J. Res. 310, which provides funds for VA readjustment loans and the Hoover Commission (S. Rept. 371) (pp. 5744, 5792).
reported without
12. BOUNDARY FENCE. The Interior and Insular Affairs Committee reported without amendment S. 76, authorizing appropriations for the construction, operation, and maintenance of the Mexican western land boundary fence project (S. Rept. 373), and Sen. Goldwater's name was added as co-sponsor of the bill (p. 5745).
13. FOREST LANDS. The Interior and Insular Affairs Committee reported with amendments S. 55, to authorize the United States to buy lands in the Coconino and Sitgreaves National Forests from the Aztec Land and Cattle Co., Ltd. (S. Rept. 369) (p. 5744).
14. SALT-WATER RESEARCH. The Interior and Insular Affairs Committee reported with amendments S. 516, extending the program of research in the development and utilization of saline waters (S. Rept. 370) (p. 5744).
15. FLOOD CONTROL. Sen. Fulbright inserted a resolution adopted by the Arkansas General Assembly petitioning Congress to provide funds for the construction of the Greer's Ferry project on the White River in Arkansas (p. 5743).
16. AIR POLLUTION. The Public Works Committee ordered reported with amendments S. 928, to amend the Water Pollution Control Act to provide for the control of air pollution (p. 1452).
17. LEGISLATIVE PROGRAM as announced by Sen. Johnson: Today the Senate will vote on the postal-pay bill and then will resume debate on the road bill. It is

CONSIDERATION OF H. R. 2851

MAY 23, 1955.—Referred to the House Calendar and ordered to be printed

Mr. TRIMBLE, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 249]

The Committee on Rules, having had under consideration House Resolution 249, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 64

84TH CONGRESS
1ST SESSION

H. RES. 249

[Report No. 613]

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 1955

MR. TRIMBLE, from the Committee on Rules, reported the following resolution ;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 2851) to authorize
5 the Commodity Credit Corporation to process food com-
6 modities for donation under certain Acts. After general
7 debate, which shall be confined to the bill, and shall con-
8 tinue not to exceed one hour, to be equally divided and
9 controlled by the chairman and ranking minority member
10 of the Committee on Agriculture, the bill shall be read for
11 amendment under the five-minute rule. It shall be in order
12 to consider the substitute amendment recommended by the

1 Committee on Agriculture now in the bill, and such substi-
2 tute for the purpose of amendment shall be considered under
3 the five-minute rule as an original bill. At the conclusion
4 of such consideration the Committee shall rise and report
5 the bill to the House with such amendments as may have
6 been adopted, and any member may demand a separate
7 vote in the House on any of the amendments adopted in
8 the Committee of the Whole to the bill or committee substi-
9 tute. The previous question shall be considered as ordered
10 on the bill and amendments thereto to final passage without
11 intervening motion except one motion to recommit with or
12 without instructions.

84TH CONGRESS
1ST SESSION

H. RES. 249

[Report No. 613]

RESOLUTION

Providing for the consideration of H. R. 2851,
a bill to authorize the Commodity Credit
Corporation to process food commodities for
donation under certain Acts.

By Mr. TRIMBLE

MAY 23, 1955

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 26, 1955
For actions of May 25, 1955
84th-1st, No. 86

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HIGHLIGHTS: House passed bill for donations of surplus commodities. Senate passed road bill. House agreed to consider small reclamation projects bill.

HOUSE

1. SURPLUS COMMODITIES. Passed, 343 to 1, as reported H. R. 2851, to authorize CCC to process food commodities for donation to the needy (pp. 5928-30, 5932-44). The bill provides the following: Requires CCC to make available to HEW, for providing emergency assistance to the needy, agricultural commodities and products (including cereals and cereal products) acquired through price support operations. Authorizes CCC to pay processing and other charges up to the time of delivery to central locations in States. Upon certifications of the Labor Department and the Governors as to need, directs HEW to make such commodities and products available to State agencies. Provides that CCC make Sec. 416 commodities available without compensation and that HEW reimburse CCC for other commodities at the acquisition cost or current support price (whichever is lower) plus the costs of processing, etc. Provides that CCC expenditures under this bill may be made in advance of appropriations and shall be entered as accounts receivable.
2. RECLAMATION. Agreed to the resolution providing for consideration of H. R. 5881, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects (pp. 5930-1).
3. LANDS. The Interior and Insular Affairs Committee reported without amendment S. 265, and with amendment H. R. 1844, to amend acts authorizing agricultural entries under the nonmineral land laws of certain mineral lands in order to increase the limitation with respect to desert entries made under such act (H. Repts. 626 and 628); also reported without amendment H. R. 4894, to repeal laws authorizing sale of public lands which are valuable chiefly for timber and stone (H. Rept. 627) (pp. 5949-50).

4. LANDS; EXTENSION WORK; LOW-INCOME FARMERS. Both Houses received from this Department proposed bills to transfer land and buildings now used for research under cooperative agreement with the Virgin Islands Corporation (to Senate Agriculture and Forestry Committee and House Interior and Insular Affairs Committee); to authorize additional appropriations for cooperative extension work among low-income farmers; and to provide more adequate credit for low-income farmers (to Senate Agriculture and Forestry Committee and House Agriculture Committee); (pp. 5949-5952).
5. REGULATORY PROCEDURE. Received from the Director, Administrative Office of the U. S. Courts proposed legislation "to provide for reasonable notice to the agency of applications to the courts of appeals for interlocutory relief against orders of the Civil Aeronautics Board, the Federal Communications Commission, the Secretary of Agriculture, the Federal Maritime Board and the Atomic Energy Commission;" to Interstate and Foreign Commerce Committee (p. 5878, Cong. Rec. for May 24, 1955).
6. DAIRY INDUSTRY. The following is quoted from a House Agriculture Committee release dated May 24: "Representative Thomas G. Abernethy, chairman of the Dairy subcommittee ..., announced today that following hearings scheduled for June 1, 2, and 3, the subcommittee will recess its hearings on the general dairy industry for about 5 weeks because a pressing agenda of full committee hearings on pending bills will leave virtually no opportunity for subcommittee hearings during that period We hope to be able to resume these hearings early in July and continue without substantial interruption until they are completed."

SENATE

7. ROADS. Passed with amendments S. 1048 which authorizes a Federal-aid road construction program (pp. 5956-6022).
8. APPROPRIATIONS. Passed H. J. Res. 310, second urgent deficiency appropriation measure, 1955, with clarifying amendment in which the House concurred (pp. 5961-2, 6008). This measure provides funds for VA readjustment loans and the Hoover Commission. It will now be sent to the President.
9. LEGISLATIVE PROGRAM. Sen. Johnston, Tex., alerted the Senate for consideration this week of S. 1755, which would establish a maximum interest rate of 3% on certain farm loans; H. R. 103, to provide for a distribution system on Federal reclamation projects; S. 180, providing for construction and maintenance of the Washita River Basin reclamation project; S. 55, which would authorize transfer of certain lands to the U. S. within the Coconino and Sitgreaves National Forests; S. 516, to extend saline water research; and S. 76, to authorize the construction and maintenance of a Mexican boundary fence (p. 6023).
10. POSTAL PAY BILL. The Post Office and Civil Service Committee ordered reported with amendments S. 2061 for an average 8% pay increase (D465).

BILLS INTRODUCED

11. DISASTER LOANS. H. R. 6470, by Rep. Berry, to amend Public Law 727, 83d Congress, so as to extend the period for the making of emergency loans for agricultural purposes; to Agriculture Committee (p. 5950).

84TH CONGRESS
1ST SESSION

H. R. 2851

IN THE SENATE OF THE UNITED STATES

MAY 26 (legislative day, MAY 2), 1955

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, for the purpose of providing emergency assistance to
4 persons determined to be in need in the United States pur-
5 suant to section 2 of this Act, the Commodity Credit Cor-
6 poration shall make available to the Secretary of Health,
7 Education, and Welfare such agricultural commodities or
8 products thereof, including cereals and cereal products, ac-
9 quired through price support operations as the said Secretary
10 shall requisition pursuant to section 2 hereof. With respect

1 to commodities thus made available the Commodity Credit
2 Corporation may pay processing, reprocessing, packaging,
3 transporting, handling, and other charges up to the time of
4 their delivery to one or more designated central locations in
5 each State.

6 SEC. 2. Upon certification to the Secretary of Health,
7 Education, and Welfare (hereinafter referred to as the Sec-
8 retary) by the Secretary of Labor that any area in the
9 United States has a substantial surplus of labor (according
10 to standards established by the Secretary of Labor under De-
11 fense Manpower Policy Numbered 4 (18 F. R. 6995), or
12 any similar rule, regulation, order or policy), or upon de-
13 termination by the President that any area has suffered a
14 major disaster warranting assistance by the Federal Govern-
15 ment under Public Law 875, Eighty-first Congress (42
16 U. S. C. 1855), and upon certification to the Secretary by the
17 Governor of the State in which such area is located that there
18 is acute distress in such area because of conditions prevailing
19 therein, the Secretary is hereby directed to make available to
20 such State agency or agencies as may be designated by the
21 proper State authority and approved by the Secretary for dis-
22 tribution to families and persons determined to be in need in
23 such area agricultural commodities and the products thereof
24 acquired by the Commodity Credit Corporation through price
25 support operations in such quantity as the Secretary deter-

1 mines can be effectively distributed and utilized and to requi-
2 sition from the said Corporation such quantities of such com-
3 modities as the Secretary determines to be required for such
4 distribution.

5 SEC. 3. The Commodity Credit Corporation shall make
6 available without compensation to the Secretary of Health,
7 Education, and Welfare pursuant to section 2 hereof com-
8 modities which the Secretary of Agriculture determines to be
9 available for donation under section 416 of the Agricultural
10 Act of 1949, as amended. With respect to all other com-
11 modities, including cereals, made available pursuant to section
12 2, the Commodity Credit Corporation shall be reimbursed
13 by the Secretary of Health, Education, and Welfare for
14 the acquisition cost of the commodity to the Commodity
15 Credit Corporation or the current support price (whichever
16 is lower) plus the costs of any processing, reprocessing,
17 packaging, transporting, or handling required for delivery of
18 the commodity pursuant to section 2 which the Secretary
19 of Agriculture determines to be in excess of the normal costs
20 incurred in moving such agricultural commodity into normal
21 commercial channels. Expenditures authorized by this Act
22 may be made by the Commodity Credit Corporation in
23 advance of appropriations and shall be entered on the books
24 of the Corporation as accounts receivable.

25 SEC. 4. There are hereby authorized to be appropriated,

- 1 from any moneys in the Treasury not otherwise appropriated,
- 2 such sums as are required for the purposes of this Act.

Passed the House of Representatives May 25, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To make agricultural commodities owned by the
Commodity Credit Corporation available to
persons in need in areas of acute distress.

MAY 26 (legislative day, MAY 2), 1955

Read twice and referred to the Committee on
Agriculture and Forestry

the docket of Congress with time-consuming details. That need not be so.

Passage of H. R. 1611, not now before the House, when it is reported for floor action by the Interstate Commerce Committee, would bypass congressional review on such complaints and place them, when merited, before the Interstate Commerce Commission. H. R. 1611 appears to be a sure way of blowing away or allowing any benevolent indifference to the affairs of the motorist to build up in interstate travel.

Passage of the resolution now before the House, the resolution offered by the gentleman from Indiana [Mr. MADDEN], would be the first step on the road to putting the growing toll problem in the United States under satisfactory Federal surveillance. The Interstate Commerce Commission, as stated above, is the agency to monitor the situation.

It is not merely a question of the local complaints of the good people of Indiana and Illinois. The examination Congress is asked to make to determine what happened to the \$3 million collected in tolls on an Indiana-Illinois bridge that initially cost but some \$900,000 to build, is also a question of the inherent right of people of New Jersey and America who have traveled both States and have paid some share of the Indiana-Illinois \$3 million in tolls to know the facts in dispute.

It is an inherent right that we have as car owners, as well as citizens, to know where our money on such situations goes and whether it is spent as we are led to believe it will be spent—to pay for and to upkeep a facility initially approved. It matters not that two State legislatures vote to float additional bonds to improve capital investments on facilities or to extend facilities not related to motorized accommodations but levied against citizens engaged in interstate motorized travel or commerce.

By what Federal right did the New York Port Authority recently obtain some \$30 million as a loan from investment bankers—the State legislatures of New York and New Jersey who approved it, notwithstanding? By what right was this done, especially when motorists from the other 46 States in the union and our territories will be levied by tolls to cross the George Washington bridge, the Holland and Lincoln tunnels to help pay on that \$30 million loan? Since when has the Constitution of the United States, or the Supreme Court allowed ratemaking involving interstate commerce to be established on so local a level?

In all earnestness, I hope you will support my bill, H. R. 1611. It gives the American car owner his day in court, before the Interstate Commerce Commission.

The people of the United States are going to see this toll question grow like a cancer.

The SPEAKER. The time of the gentleman has expired.

Mr. MADDEN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. SIEMINSKI. Mr. Speaker, I do not need the 2 minutes, but I shall simply

say you are not going to hurt any bankers in Indiana or Illinois.

It is a question of the citizens of the United States who are now on wheels and who deserve to have their day before the Interstate Commerce Commission.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SIEMINSKI. I yield.

Mr. GROSS. I assume the gentleman then would support a resolution for an investigation of the New Jersey Turnpike?

Mr. SIEMINSKI. I would support anything that seems to fly in the face of the motorists on the highways of America today. Let the Congress concern itself with all authorities created with the consent of the Congress. It is our duty to do so. We have been issuing blank checks to these authorities for much too long a time.

Mr. GROSS. I have often wondered why motorists pay gasoline taxes on toll roads. Perhaps Congress ought to look into the operation of the New Jersey Turnpike.

Mr. SIEMINSKI. We should look into anything questionable, including the turnpike authority. Passage of my bill, now before the Committee on Interstate and Foreign Commerce, will permit the car owners of America to seek redress for unreasonable motor levies.

The SPEAKER pro tempore. The time of the gentleman from New Jersey has again expired.

Mr. MADDEN. Mr. Speaker, I do want to commend the gentleman from New Jersey [Mr. SIEMINSKI] for the statement he made in regard to the toll-road problem throughout the United States. This situation between Indiana and Illinois is nothing more than a preliminary to necessary legislation to keep the traveling public of America, as they travel over the country, from wearing out their pockets paying tolls, in a great number of cases far in excess of what they should pay. It is a remarkable situation in this particular case that nothing ever started from the standpoint of financial supervision and terminating toll charges until the gentleman from Indiana [Mr. DENTON] filed his resolution. Now we have a start, and for a few thousand dollars that it will cost to inspect and audit the bridge commission's books, it will have a great effect on the operation of interstate toll bridges and toll roads throughout the length and breadth of this land.

I hope this resolution is passed by a large majority.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Chair being in doubt, on a division there were—ayes 84, noes 73.

Mr. ALLEN of Illinois. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present. The rollcall is automatic. The Doorkeeper will close the doors, the

Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—ayes 205, noes 166, not voting 63, as follows:

[Roll No. 71]

YEAS—205

Abbutt	Fisher	Multer
Abernethy	Flood	Murray, Ill.
Adair	Fogarty	Murray, Tenn.
Addonizio	Forand	Natcher
Albert	Fountain	Norrell
Alexander	Frazier	O'Brien, Ill.
Andrews	Friedel	O'Hara, Ill.
Anfuso	Gary	O'Neill
Ashley	Gathings	Passman
Ashmore	Gordon	Patman
Aspinall	Granahan	Perkins
Bailey	Grant	Pfost
Barrett	Green, Oreg.	Philbin
Bass, Tenn.	Gregory	Pilcher
Beamer	Griffiths	Poage
Bell	Hagen	Poff
Bennett, Fla.	Haley	Polk
Blatnik	Harden	Price
Blitch	Hardy	Priest
Boggs	Harris	Quigley
Boland	Harrison, Va.	Rabaut
Bolling	Hays, Ark.	Rains
Boykin	Hays, Ohio	Reuss
Boyle	Hayworth	Richards
Bray	Hébert	Riley
Brooks, La.	Holifield	Roberts
Brooks, Tex.	Huddleston	Rodino
Brown, Ga.	Hull	Rogers, Colo.
Buchanan	Ikard	Rogers, Fla.
Buckley	Jarman	Rogers, Tex.
Burleson	Jennings	Rooney
Burnside	Johnson, Wis.	Roosevelt
Byrne, Pa.	Jones, Ala.	Rutherford
Cannon	Jones, N. C.	Selden
Carlyle	Karsten	Shelley
Carnahan	Kee	Sheppard
Celler	Kelley, Pa.	Sieminski
Chelf	Kelly, N. Y.	Sikes
Christopher	Keogh	Siler
Chudoff	Kilday	Sisk
Clark	Kilgore	Smith, Miss.
Cooley	King, Calif.	Spence
Cooper	Kirwan	Staggers
Crumacker	Klein	Steed
Davidson	Kluczynski	Sullivan
Davis, Ga.	Knutson	Thomas
Davis, Tenn.	Landrum	Thompson, La.
Dawson, Ill.	Lane	Thompson, N. J.
Dawson, Utah	Lankford	Thompson, Tex.
Deane	Lesinski	Thornberry
Delaney	Long	Trimble
Dempsey	McCarthy	Tuck
Denton	McCormack	Tumulty
Dies	McDowell	Udall
Diggs	McMillan	Vanik
Dollinger	Machrowicz	Vinson
Donovan	Mack, Ill.	Walter
Dorn, S. C.	Madden	Watts
Dowdy	Magnuson	Whitten
Doyle	Mahon	Wickersham
Durham	Marshall	Wier
Elliott	Matthews	Williams, Miss.
Engle	Metcalf	Williams, N. J.
Evins	Miller, Calif.	Willis
Fallon	Mills	Wright
Fascell	Mollohan	Yates
Feighan	Morgan	Zablocki
Fernandez	Morrison	
Fine	Moss	

NAYS—166

Alger	Brown, Ohio	Dague
Allen, Ill.	Brownson	Davis, Wis.
Andersen,	Broyhill	Devereux
H. Carl	Budge	Dixon
Andersen,	Burdick	Dondero
August H.	Bush	Dorn, N. Y.
Auchincloss	Byrnes, Wis.	Ellsworth
Ayres	Carrigg	Fenton
Baker	Cederberg	Fino
Baldwin	Chase	Ford
Bass, N. H.	Chenoweth	Forrester
Bates	Chiperfield	Frelinghuysen
Baumhart	Church	Fulton
Becker	Clevenger	Gamble
Bennett, Mich.	Cole	Gavin
Bentley	Coon	Gentry
Berry	Corbett	George
Betts	Coudert	Gray
Bolton,	Cramer	Gross
Frances, P.	Cretella	Gubser
Bosch	Cunningham	Hale
Bow	Curtis, Mass.	Hand

Harvey	McGregor	Scrivner
Henderson	McIntire	Scudder
Hess	McVey	Seely-Brown
Hiestand	Mack, Wash.	Sheehan
Hill	Mailliard	Simpson, Ill.
Hillings	Martin	Simpson, Pa.
Hinshaw	Meader	Smith, Kans.
Hoeven	Morrow	Smith, Wis.
Hoffman, Ill.	Miller, Md.	Springer
Holmes	Miller, Nebr.	Taber
Holt	Minshall	Talle
Horan	Morano	Thompson,
Hosmer	Nicholson	Mich.
Hyde	Norblad	Thomson, Wyo.
Jackson	O'Brien, N. Y.	Utt
Jensen	O'Konski	Van Pelt
Johansen	Ostertag	Van Zandt
Johnson, Calif.	Phillips	Velde
Jonas	Prouty	Vorys
Judd	Radwan	Vursell
Kean	Ray	Wainwright
Kearns	Reed, Ill.	Weaver
Keating	Rees, Kans.	Westland
Kilburn	Rhodes, Ariz.	Wharton
King, Pa.	Riehlman	Widnall
Knox	Robeson, Va.	Wigglesworth
Krueger	Rogers, Mass.	Williams, N. Y.
Laird	Sadlak	Wilson, Calif.
Latham	St. George	Wilson, Ind.
LeCompte	Saylor	Withrow
Lipscomb	Schenck	Wolcott
Lovre	Scherer	Wolverton
McConnell	Schwengel	Young
McCulloch	Scott	Younger
McDonough		

NOT VOTING—63

Allen, Calif.	Flynt	O'Hara, Minn.
Arends	Garmatz	Osmers
Avery	Green, Pa.	Patterson
Barden	Gwinn	Pillion
Belcher	Halleck	Powell
Bolton,	Harrison, Nebr.	Preston
Oliver, P.	Herlong	Reece, Tenn.
Bonner	Heselton	Reed, N. Y.
Bowler	Hoffman, Mich.	Rhodes, Pa.
Byrd	Holtzman	Rivers
Canfield	Hope	Robison, Ky.
Chatham	James	Short
Colmer	Jenkins	Shuford
Curtis, Mo.	Jones, Mo.	Smith, Va.
Derounian	Kearney	Taylor
Dingell	Lanham	Teague, Calif.
Dodd	Macdonald	Teague, Tex.
Dolliver	Mason	Tollefson
Donohue	Miller, N. Y.	Winstead
Eberharter	Moulder	Zelenko
Edmondson	Mumma	
Fjare	Nelson	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Flynt for, with Mr. Short against.

Mr. Shuford for, with Mr. Reed of New York against.

Mr. Eberharter for, with Mr. Reece of Tennessee against.

Mr. Lanham for, with Mr. Derounian against.

Mr. Colmer for, with Mr. Taylor against.

Mr. Bowler for, with Mr. Heselton against.

Mr. Holtzman for, with Mr. Osmers against.

Mr. Powell for, with Mr. Gwinn against.

Mr. Zelenko for, with Mr. Fjare against.

Mr. Moulder for, with Mr. Arends against.

Mr. Garmatz for, with Mr. Avery against.

Mr. Dingell for, with Mr. Kearney against.

Mr. Dodd for, with Mr. Jenkins against.

Mr. Donohue for, with Mr. Mason against.

Mr. Rhodes of Pennsylvania for, with Mr. Teague of California against.

Mr. Green of Pennsylvania for, with Mr. James against.

Mr. Edmondson for, with Mr. Allen of California against.

Mr. Byrd for, with Mr. Miller of New York against.

Mr. Macdonald for, with Mr. Patterson against.

Mr. Preston for, with Mr. Hoffman of Michigan against.

Mr. Chatham for, with Mr. Nelson against.

Mr. Bonner for, with Mr. Pillion against.

Until further notice:

Mr. Teague of Texas with Mr. Halleck.

Mr. Smith of Virginia with Mr. Harrison of Nebraska.

Mr. Rivers with Mr. Robison of Kentucky.

Mr. Winstead with Mr. Canfield.

Mr. Jones of Missouri with Mr. Tollefson.

Mr. Herlong with Mr. Curtis of Missouri.

Mr. Barden with Mr. Hope.

Mr. WOLVERTON and Mr. JOHNSON of California changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. MARTIN asked and was given permission to address the House for 1 minute.)

Mr. MARTIN. Mr. Speaker, may I inquire of the majority leader as to the program for tomorrow and next week?

Mr. McCORMACK. If we complete the two bills that are on the program today, then, if my friend, the gentleman from Massachusetts has no objection, we can adjourn over until Friday and then from Friday to Tuesday, Monday being Memorial Day. The program for next week is as follows—

Mr. MARTIN. Before the gentleman tells us the program for next week, there will be nothing on Friday?

Mr. McCORMACK. Nothing legislatively. As a matter of fact, one of the chairmen of a committee spoke to me about some privileged resolutions and I asked him to try to get them in today, if he could, because I want to announce to the Members that there will be nothing legislatively on Friday, and while there might be nothing objectionable from his committee, nevertheless some Members might feel disturbed if anything did come up of a legislative nature. Therefore, I want to announce that there will be nothing legislatively on Friday, and on Friday we will adjourn over until Tuesday. There may be some special orders that I know of and such things as that. The program for next week is as follows:

On Tuesday, the House will consider the general Government appropriation bill for 1956. If there should be a rollcall on that bill, which I doubt, it has been agreed by the leadership that the rollcall will go over until Wednesday.

For Wednesday, Thursday and Friday, we have scheduled House Resolution 203 from the Committee on Banking and Currency providing for an investigation of housing. There is the bill, H. R. 5715, from the Committee on Veterans' Affairs to extend the loan authority for veterans under the Servicemen's Readjustment Act. There is the bill, H. R. 3990, a bill relating to the water resources of Alaska.

Any conference reports, of course, may be brought up at any time. Any further program will be announced later. The probability is that there will be no material change from the program which I have just announced so far as next week is concerned.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. GROSS. Is there any chance of the so-called Reserve training bill coming up next week?

Mr. McCORMACK. No.

Mr. GROSS. Can the gentleman tell us whether any life is going to be breathed into that corpse?

Mr. McCORMACK. I am unable to state that, but it will not come up next week.

Mr. MARTIN. Can the gentleman from Massachusetts inform us when the conference report on the bill H. R. 1 is likely to be called up?

Mr. McCORMACK. I am unable to state when it will come up. I can state in reply to the inquiry, for the benefit of the gentleman from Massachusetts and our colleagues, that it will not come up next week. Even if the conferees come to an agreement, it will not come up. There is no reason, except that I do not expect the agreement to be reached; but if it should be, it would not come up next week.

Mr. MARTIN. It will be put on the legislative program early, I hope?

Mr. McCORMACK. Of course, there is no further meeting of the conference committee until the middle of next week, anyway; but if they do agree, the chances are it will be so late that it could not come up, anyway. I am simply stating there is no reason at all except that it will be so late in the week that we can wait until the early part of the following week, if they do agree. Therefore, I can definitely advise the Members of the House insofar as it is possible for me to do so in order that they may govern themselves accordingly.

Mr. MARTIN. I thank the gentleman.

COMMITTEE ON RULES

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Thursday to file privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COMMODITY CREDIT CORPORATION

Mr. TRIMBLE. Mr. Speaker, I call up the resolution (H. Res. 249) providing for the consideration of H. R. 2851, a bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider the substitute amendment recommended by the

Committee on Agriculture now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

At this point I yield myself such time as I may consume.

Mr. Speaker, this resolution (H. Res. 249) makes in order consideration of the bill H. R. 2851 from the Committee on Agriculture.

Briefly stated, the substance of the bill to be made in order by the adoption of this resolution amends present law with reference to relief programs. Under the present law, when the President of the United States designates certain areas as disaster areas by reason of drought or unusual unemployment, certain commodities, particularly those of a perishable nature, are set aside for the respective States, to be used by them through the Department of Agriculture for the people in the distressed areas. This bill amends the present law to this effect:

Under the present law the Department of Agriculture can reprocess products but it cannot process products. This bill amends the present law to the effect that the Department of Agriculture may now process, and that has particular reference to grains, storable products, which may be in surplus throughout the country. That is, they can make wheat into flour; corn into meal.

Then the other amendment is that it transfers a part of this program to the Department of Health, Education, and Welfare, in that it gives them certain authority in those designated areas. In other words, it empowers the head of the Department of Health, Education, and Welfare to make agreements with the departments in the respective States as to the amount needed, and the method of distribution.

As far as I have been able to learn, there is no opposition to this bill. There was some division of sentiment, as I understand it, in the committee where it was discussed, but those divisions have been resolved by amendments in this bill, and I hope the resolution is approved and that the bill made possible by this resolution is agreed to.

I now yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

LOWER SCHOOL CONSTRUCTION COSTS

Mr. McCORMACK. Mr. Speaker, like so many others, I have been increasingly concerned about, and disturbed over the growing plight of our public and private school systems, and particularly, the

costs of the construction of schools. Confining my remarks mainly to the public school system, what I say shall also apply to the private school system.

The figures released by the United States Department of Education in February of this year concerned with the inadequate accommodations for pupils entering the public school system are amazing in their adverse effect on our institutions of Government. Included in these figures was a table showing that there were more than 2,600,000 pupils in the public school system alone in excess of the normal capacity of the accessible public owned school plants in use. This is only a slight indication of what is facing our public school system in overcrowding, split shifts, and the use of substandard, makeshift quarters; and with our growing population, this will increase. I might also say that the cost of school construction is vitally important.

The 81st Congress passed Public Law 815 and title I of the act provided that the United States Department of Education should supervise a nationwide survey of the public elementary and secondary school plant facilities. The findings of this survey disclosed the extent of this crisis in the school construction field. Typical was the revelation that almost one-half of the school buildings of our great Nation are more than 30 years old, and about one-fourth are over 50 years old—and many of these older buildings lacked adequate lighting, plumbing, heating, and ventilating facilities. It is hard to realize that in the 43 States covered by the survey, 54.99 percent of all elementary school buildings of those States still use outdoor privies. According to accepted educational standards, more than 56 percent of the classrooms of our country are already overcrowded, with the peak of increased enrollment still some 5 years ahead.

The lag in schoolhouse construction understandingly resulted from the depression and the war period of material and manpower shortages. It has been increased by the very high postwar birth-rate which has placed our nationwide school plant into a position where it needs today at least 312,000 additional instruction rooms to accommodate almost 9 million pupils, which will cost at current prices about \$10.6 billion. The financial problem in countless communities has also played a significant part. To house the pupils who are expected to be added to the school population by 1965, there will be required an additional 420,000 classrooms costing an additional \$14.3 billion. And to replace the classrooms in the present nationwide school plant which are inadequate, obsolete, worn out, and unsafe will require an additional 220,000 rooms by 1965 costing an additional \$7.5 billion.

Historically the construction of public school buildings in the United States has been a function of the local communities or school districts. They have very successfully financed this public service by issuing general obligation bonds or other evidences of indebtedness supported by the full faith and credit of the local taxing district. Most of these

groups have operated under debt limitation provisions imposed by legislative act or constitutional provisions. It has been reliably estimated that the total legal borrowing capacity of all of the cities, towns, and school districts of our Nation is about \$35 billion. Of this amount more than \$31 billion has previously been encumbered by borrowings for schools and other eligible public improvements. It is obvious that the school construction needs greatly exceed the available funds which may legally be raised.

I think you will agree with me that there is perhaps no greater responsibility on we Americans than that of insuring the availability of education in school buildings conveniently located, safely constructed, and presenting an environment of welcome, warmth, and friendliness that will stimulate the learning process and make schoolwork a pleasurable experience to be treasured for life.

During the 83d Congress some 31 bills and joint resolutions were introduced proposing some form of Federal assistance to schoolhouse construction and education. Each of these bills recognized the importance of education and the plight of the public school system, and each contained some element or plan to alleviate some of this distress. The current Congress has before it many similar proposals, including a plan urgently recommended by the President, who from time to time has stated unequivocally that our school system demands some prompt and effective help if we are to provide adequate education.

Over the years this question of Federal aid to school construction has arisen before this Congress and in public discussion. The argument presented both pro and con have had wide ramifications. The supporters of each side have been able, well fortified, and vocal, and the debates have been sound and heated but also interminable. While this endless debate has been following its leisure course, the inexorable maturity of the children has brought them to the doors of substandard school buildings—to the doors of overcrowded buildings—and to the doors of nonexistent school buildings both public and private. These more than 2,600,000 pupils that I previously mentioned are being deprived in part of the complete education which is their American privilege and heritage.

The need for new and adequate schoolhousing in our States is critical, and during this trying period of current turbulence, nothing is as important to a free society as the preservation of our public institutions—of our school systems—since nothing has a deeper or more far-reaching effect upon the conduct of man as a citizen than adequate educational opportunity.

It is with great pleasure that I advise you and those throughout the country who are interested in a discovery which I recently came across, a discovery which indicates the availability of a simple, straightforward, and practical solution to some of the schoolhouse construction problems over which we have labored so long, and belabored so effectively. We, in the great Commonwealth of Massachusetts, are facing a schoolhouse short-

age problem analogous to that of our sister States, though we have been fortunate in having available a greater degree of financial ability to meet these needs than some of our less fortunate companions. In spite, however, of our tremendous resources it was apparent to many of our citizens that to continue a school-building program at a rate of expenditure per pupil which was characteristic of the early 1950's, we would soon exhaust our resources short of having constructed sufficient classrooms for our rapidly growing child population. This is particularly so, having in mind the other duties and responsibilities of government.

A group of trained and qualified citizens of Massachusetts, realizing the implications of our school needs and the urgency for the construction of an adequate number of classrooms at a cost we could afford, undertook an exhaustive study of the problem locally and nationally. They also undertook the responsibility of developing a program that would permit communities and school districts of our Nation, and this would also cover private schools, to obtain needed school buildings quickly at reasonable costs with or without State or Federal aid, and in a manner not restricted by archaic and unrealistic statutory and constitutional debt limits.

In short, Mr. Speaker, this group proposes and offers to build and equip healthful, attractive, safe, fire-resistive, flexible, low-cost school buildings of modular components which will permit expansion or contraction of the structures as the need may require. One of the real contributions of this program comes from the fact that this group, where and when desired, is willing to finance the construction of these badly needed buildings with private capital in a manner which will not adversely effect the legal borrowing capacity of the community or school district, and at annual costs which may run as much as 50 percent less than the average current costs of conventional school-building projects. Arrangements can also be made with those responsible for the construction of a private school or schools. In order to do this with private funds, of course, these buildings provide a life expectancy and freedom from maintenance greatly in excess of the average buildings being constructed today.

The Anderson-Nichols Co., architectural engineers of Boston, one of New England's largest and most competent architectural engineering firms, in conjunction with educators, public officers, and finance specialists, have undertaken a 4-year research program which has culminated in the development of a schoolhouse plan which permits construction from readily available, modular components with a maximum degree of flexibility of design to meet the requirements of available sites and the individual desires and needs of local school authorities.

From this research group has evolved an organization known as Structo Schools Corp., located in Boston, Mass. This group offers to design, build, and equip school buildings for communities or school districts, whether distressed or

not, utilizing the modular plan developed by the Anderson-Nichols Co. The group offers to finance these buildings with private capital in such a way as to relieve any encumbrance upon the debt or borrowing limits of the community. It is expected that the annual costs of a project under this program will be approximately 50 percent less than the average annual costs of the current conventional school building projects. The source of private funds for this purpose seems virtually unlimited.

The communities or school districts will only be required to appropriate an annual amount as a rental fee, and this amount is expected to produce a substantially lower impact on local tax rates than the present plans.

The program has received the approval and wholehearted support of many national organizations in the fields of education, finance, manufacturing, and construction, as a worthwhile cooperative effort to meet the challenge of schoolhouse shortages. The very startling aspect of this program has been the success of Structo Schools Corp. to raise large segments of private capital to permit school buildings to be built and rented to local school authorities, or, in the case of private schools to the proper authority, at annual rental rates substantially below the average normal average costs of debt service required when general obligation bonds are issued.

It is most pleasing to me to learn that the ingenuity and the interest of private citizens can be stimulated toward the development of a solution to a problem which has long plagued the Congress and other public officers, as well as others, and to learn that they have successfully developed a plan which may work quickly and surely, and whose objective is a contribution to the preservation of one of our most essential, democratic ideals. This group of public spirited citizens are to be complimented for their willingness to face the challenge, and their ingenuity in finding a solution of this critical national problem.

As the leadership and efforts of Mr. Anderson of the firm of Anderson-Nichols Co., after several years of study, evaluation, and of making designs, has resulted in a manner that school building costs can be sharply reduced, a number of such schools have been constructed, I am pleased, as a public duty, to make known as widely as possible this program to those interested; and particularly those who are responsible for the construction and maintenance of schools. The cost of constructing schools, either public or private, is a matter of major concern. If the cost can be sharply reduced, I know it will be a matter of major interest.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman from Arkansas [Mr. TRIMBLE] has explained the rule and the main provisions of the bill. I know of no one who is opposed to the rule, and I reserve the remainder of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

SUPPLEMENTING FEDERAL RECLAMATION LAWS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 248 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5881) to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and yield myself such time as I may consume.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. BOLLING. Mr. Speaker, House Resolution 248 provides for an open rule with 2 hours of general debate for the consideration of the bill (H. R. 5881) to supplement the Federal reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects.

H. R. 5881 as reported from the Committee on Interior and Insular Affairs would permit States and local public agencies to take a more active part in developing land and water resources for irrigation and incidental purposes through Federal loans and grants, and would encourage the development of small projects. The provisions of the bill would apply to the 48 States and the Territories of Hawaii and Alaska.

Under the bill, the States and local public agencies would plan, construct, and operate small projects primarily for irrigation and they would receive practically the same benefits which would be theirs if the projects were being constructed as Federal reclamation projects.

The bill would permit the Secretary of the Interior to make loans covering that portion of the cost of the project which would be reimbursable if they were being constructed as Federal projects and the Secretary would make grants covering that portion of the cost of the project which would be nonreimbursable if the project were being constructed under Federal auspices.

Federal financial participation in any project in the form of a loan, a grant, or a combination of both could not exceed \$5 million.

A bill that resembled H. R. 5881 passed the House during the 83d Congress but

failed to pass the Senate. The President in his budget message for 1956 advocated a program of this type and during the hearings on this bill, according to the committee report, it was disclosed that there were a number of small projects that were in the planning stage now, but could and would be completed if there is a program such as is proposed in this bill. The committee felt that \$5 million was an appropriate maximum cost for a project if it was to fall within the category of a small one. However, under the provisions of H. R. 5881, as reported, a project costing between 5 and 10 million dollars could apply for the benefits applicable under the legislation but the Federal participation in the financing of the project could not be increased due to the higher cost of the project.

Any organization desiring to take advantage of the benefits provided under H. R. 5881 would submit its proposal to the Secretary of the Interior with all the plans and estimates that would be included in preauthorization reports required for a Federal reclamation project.

The bill would specifically provide that the Secretary of the Interior and the Governor of the State in which the project is proposed would be the approving authorities for the project.

The bill would also require that the Secretary of the Interior submit to both the House and Senate Committees on Interior and Insular Affairs the project proposals at least 60 days before the contracts are executed covering these projects. However, the Secretary of the Interior would be authorized in this bill to proceed with negotiations for loans and/or grants without further congressional action after he and the Governor of the State involved, have placed their stamp of approval upon the individual projects.

The organization applying for the benefits offered under the provisions of this bill would have to show in its proposal that it already holds or can acquire the lands and the rights to the use of water necessary for construction and operation of the project, and the organization must finance the cost of these lands and water rights by other methods than by loans and grants from the Government.

The bill, Mr. Speaker, would authorize the appropriation of \$100 million to undertake this program. It is my understanding that an amendment to the bill will be offered by the gentleman from Alabama [Mr. Jones], which will have the effect of giving the Secretary of Agriculture jurisdiction over the implementation of the provisions of this bill in the areas where the Bureau of Reclamation of the Department of Interior is not set up to function. It is my impression that this amendment will not be objected to by the Committee on Interior and Insular Affairs.

Mr. Speaker, the members of the Committee on Interior and Insular Affairs will, of course, discuss the details of the bill more thoroughly, but I feel that the bill is worthy of the consideration of the House and that the rule, since it is an open one which would allow amendments to be offered from the floor, should be adopted by the House.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no opposition to the rule. I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

SECOND PROGRESS REPORT OF THE DEPARTMENT OF COMMERCE

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I ask for the immediate consideration of a privileged resolution (H. Res. 226).

The Clerk read the resolution, as follows:

Resolved, That there is hereby ordered to be printed for the use of the Committee on the Judiciary, House of Representatives, 1,000 additional copies of the Second Progress Report of the Department of Commerce to the Committee on the Judiciary, House of Representatives, entitled "Study of Newsprint Expansion: Part II, Newsprint Production from Hardwoods," made to the Committee on the Judiciary, House of Representatives, during the 83d Congress, 2d session.

The SPEAKER. The question is on the resolution.

The resolution was agreed to; and a motion to reconsider was laid on the table.

COMMITTEE ON EDUCATION AND LABOR

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 155) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective from January 3, 1955, the expenses of the studies and investigations to be conducted pursuant to House Resolution 154 by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed \$150,000, including expenditures for the employment of investigators, attorneys, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 5, strike out "\$150,000" and insert "\$125,000."

The committee amendment was agreed to.

The resolution was agreed to; and a motion to reconsider was laid on the table.

STATUE OF EDWARD DOUGLASS WHITE

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Ad-

ministration, I call up a privileged resolution (S. Con. Res. 24) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Edward Douglass White Memorial Commission of Louisiana is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Edward Douglass White, of Louisiana, and to hold ceremonies in the rotunda on said occasion; and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

Mr. MARTIN. Mr. Speaker, I notice in the resolution it says "temporarily." Is that the custom?

Mr. BURLESON. That is correct. The gentleman from Louisiana, who is the author of the resolution, might better explain the proposition.

Mr. WILLIS. Mr. Speaker, the purpose of the resolution is to use the facilities of the rotunda for the day of the unveiling of the statue, but the statue is not to be placed in the rotunda. That is why we say "temporary" use of the rotunda for that day.

(Mr. WILLIS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WILLIS. Mr. Speaker, by the act of August 15, 1876, as amended on March 3, 1921, the Congress provided for a National Statuary Hall in the Capitol of the United States and the President was authorized to invite all States of the Union to furnish statues, not exceeding two in number for each State, of deceased persons who were citizens thereof and illustrious for their historic renown or for distinguished civic or military service, such as each State may deem to be worthy of this national commemoration.

Act 455 of the Legislature of Louisiana of 1952 designated the late Chief Justice White as the second illustrious son of Louisiana to be thus honored, the first having been the late Senator Huey P. Long, whose statue has stood in the Statuary Hall of our Capitol for many years.

The Louisiana Legislature also created the Edward Douglass White Memorial Commission, which is charged with the duty of having erected and installed the statue of the noted jurist. Judge Sam A. LeBlanc, of Napoleonville, a retired member of the Louisiana State Supreme Court, is chairman of the commission; and those serving with him are State Senator Clyde C. Caillouet, of Thibodeaux; G. F. Cunningham, of Shreveport; George W. Hardy, Jr., of Shreveport; and Ben N. Tucker, of Hammond, La.

Active since its organization, the commission decided upon a bronze statue, and after careful consideration of many applicants selected Arthur C. Morgan, of Shreveport, as sculptor. The program for the occasion, together with the date and hour, will be ready for announcement within a short time.

The unveiling ceremonies will soon take place in the rotunda of the Capitol, and it was a great privilege and high honor for me to sponsor legislation granting congressional authority for the exercises, similar legislation having been

offered in the other body by Senators ALLEN J. ELLENDER and RUSSELL B. LONG. I am grateful to the House for the passage of this legislation today.

Chief Justice White was born November 3, 1845, in Lafourche Parish, La., the son of Edward Douglass White and Catherine S. Ringgold, and died in 1921. For almost a half century this great American served his State and Nation ably and devotedly. Beginning his public life as State Senator, his long career included service as Associate Justice of the Supreme Court of Louisiana, United States Senator, Associate Justice of the Supreme Court of the United States for 16 years, and as Chief Justice, presiding over the highest court in the land during the remaining 11 years of his life.

Following his early education at Mount St. Mary's College, Emmitsburg, Md., the Jesuit College in New Orleans and Georgetown College in the District of Columbia, young White left school to enlist as a private in the Confederate Army, at the age of 16. After the war he pursued the study of law and was admitted to the Louisiana bar in 1868. Almost immediately he entered politics, was elected to the State senate and later appointed to the State supreme court. His judicial career in Louisiana was cut short, however, owing to the fact that under a new constitution the court was reconstituted, and his term ended.

Following his service on the highest court of his native State, Edward Douglass White was elected to the Senate of the United States. He made his influence felt in that body and evidently was highly esteemed by his colleagues as is evident by the events in his life which took place at that time. A vacancy had occurred on the Supreme Court of the United States, and by virtue of the circumstances which existed it was generally assumed that it would be filled by the appointment of someone from the State of New York. As was expected, President Grover Cleveland did send the name of a prominent New York attorney to the Senate for confirmation, but one of the Senators from that State blocked the nomination on the basis and under the rules of senatorial courtesy. The same thing having happened with respect to the nomination of another New Yorker, it is said that President Cleveland then stated that he would this time send the name of a man whom the Senators would not dare to reject. He sent to the Senate the name of Edward Douglass White of Louisiana, and the nomination was unanimously confirmed.

Thus began an illustrious judicial career which was to run for a period of 27 years. In 1910 came White's greatest honor when President William Howard Taft appointed his friend to the highest judicial office in the land, Chief Justice of the United States. In so doing President Taft ignored a political pattern and tradition. Taft broke away from tradition by selecting a serving Associate Justice instead of designating an outsider, and the Republican President shattered the political pattern by appointing a Democratic Chief Justice. This was the second instance of a Southern Democratic Catholic being ap-

pointed to preside over the highest court of the land, Roger B. Taney having been Chief Justice from 1836 to 1864.

During his service on the bench, Justice White wrote opinions in more than 700 cases. He was an untiring worker, gracious, modest, genial, full of both dignity and humility, and particularly kind and helpful to young members of the bar who appeared before his court. He had a remarkable memory and apparently knew his opinions by heart, including volume and page citations, and seldom referred to the printed page. His skill and energy as a presiding officer expedited the work of the court, and his personality and engaging manner contributed much to resolving of differences of opinion among his colleagues.

Justice White was married in 1894 to Leita Montgomery Kent.

The building in which the late Chief Justice was born, on Bayou Lafourche, between Thibodaux and Napoleonville, has been preserved and on January 23, 1955, with surrounding grounds, was transferred to the State Park Recreation Commission for the establishment and development of a public park and memorial.

We of Louisiana are, indeed, proud and honored that a most distinguished son of our State, by the passage of this bill, is being paid one of the Nation's highest honors.

The SPEAKER. The question is on the Senate concurrent resolution.

The Senate concurrent resolution was agreed to; and a motion to reconsider was laid on the table.

REAPPOINTMENT TO THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration I offer a privileged resolution (S. J. Res. 18) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Dr. Jerome C. Hunsaker, of Cambridge, Mass., on April 7, 1955, be filled by the reappointment of the present incumbent for the statutory term of 6 years.

The SPEAKER. The question is on the Senate joint resolution.

The Senate joint resolution was agreed to; and a motion to reconsider was laid on the table.

PAGES FROM THE DOORKEEPER'S DEPARTMENT

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 252) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House the sum of \$16,093 toward paying the salaries of pages

from the Doorkeeper's Department, House of Representatives, fiscal year 1955.

The resolution was agreed to; and a motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2851, with Mr. WILLIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, the bill now under consideration, H. R. 2851, was introduced on January 24 by Congressman JENNINGS, of Virginia. Congressman JENNINGS is a new Member of Congress, and during his very first term in Congress he was elected to membership on the House Committee on Agriculture. During the time he has served on our committee, he has been intensely interested in all matters pertaining to agriculture and has supported all legislation reported by our committee. During the very first month of his service in Congress he introduced the bill now before the House. Action on the bill has been delayed, not because of any lack of interest on the part of its author, but for various reasons. First, because the Secretary of Agriculture and his associates in the Department of Agriculture were not in favor of the bill, and, second, because of the great burden of work which has been assigned to the House Committee on Agriculture during the current session.

Congressman JENNINGS has been constantly interested in this measure. He is a devoted public servant and has regularly attended the sessions of the committee, and on numerous occasions has expressed to me his great interest in this particular bill. Congressman JENNINGS has served with great competency and is a very valuable member of our great committee.

Along with Mr. JENNINGS, 14 or 15 other Members of Congress have introduced bills dealing with this same subject. The names of the authors of the several bills appear in the report. I am certain that all the Members of this House are fully aware of the great activity and interest of the gentleman from West Virginia [Mr. BAILEY], and the gentleman from West Virginia [Mr. BURNSIDE], and others who have sponsored legislation dealing with this same subject, the gentleman from West Virginia [Mr. BYRD], the gentlewoman from West Virginia [Mrs. KEEL], the gentleman from West Virginia [Mr. MOLLOHAN], the gentleman from Kentucky [Mr. PER-

KINS], the gentleman from Pennsylvania [Mr. MORGAN], the gentleman from Pennsylvania [Mr. VAN ZANDT], and the gentleman from Illinois [Mr. GRAY], the gentleman from Pennsylvania [Mr. KELLEY], the gentleman from Kentucky [Mr. SILER], the gentleman from West Virginia [Mr. STAGGERS].

All of these Members of the House have been actively interested in this legislation.

Mr. Chairman, since so many Members of the House are so intensely interested in the bill now before us, and are anxious to express their views concerning its provisions, I shall not attempt to explain the measure, nor to emphasize its importance, but rather, I prefer to yield time to others who will in the course of the debate explain the measure, discuss its purposes and emphasize its importance. I am, however, heartily in favor of the bill, and hope that it will pass without opposition.

My recollection is that the bill was reported by our committee by unanimous vote. I do not know of any opposition to the bill from any source except from officials in the Department of Agriculture. Actually, the Secretary of Agriculture now has the authority to make wheat and corn available for the purposes designated in this bill, but the Secretary of Agriculture and other officials in the executive branch of the Government, after having considered the matter carefully, decided that it was not a good policy to make wheat and corn available to hungry and needy Americans. There is not any doubt about the fact that Congress intended that wheat and corn and all other surplus commodities should be made available to needy and hungry Americans, but it appears absolutely necessary for us to pass this bill to clarify the situation and to direct the Secretary of Agriculture and his associates to carry out the clear intent and meaning of the law. This act might well be regarded in the nature of a mandamus.

I hope the bill will pass and that wheat and corn, which we now have in great abundance, will be made available to Americans who are in need.

Mr. Chairman, I yield 10 minutes to the gentleman from Virginia, my distinguished friend, Congressman JENNINGS.

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

Mr. JENNINGS. Mr. Chairman, we are today considering a bill which will mean much to my constituents in 6 coal-producing counties of the Ninth Congressional District of Virginia. It will mean that many of the almost 67,000 persons now living on surplus food commodities can have bread in their daily diet.

The purpose of H. R. 2851 is to allow the Commodity Credit Corporation to process a portion of our surplus grain, which is presently being stored at a cost of a million dollars per day, into flour and meal for distribution to needy persons in not only my State but to others where depressed economic conditions have caused hunger.

As present, in the coal producing counties of Buchanan, Dickenson, Wise, Lee,

Russell, and Tazewell in my district, unemployment has created a real need for some form of relief program. Bread winners have been out of work for several months, their unemployment insurance has been exhausted, and there are no funds for food. Surplus food commodities have been distributed during the past year to these needy people who through no fault of their own have been unable to find jobs. These food commodities have included butter, cheese, shortening, dried beans, dried milk, milled rice, and at one time, canned beef and gravy. However, these people have not been able to have bread to add to their meals which consist of the above mentioned items 3 times each day.

This bill, H. R. 2851, which I urge be passed unanimously by the House, will make it possible for flour and meal to be added to the list of commodities now being distributed. These deserving people, good Americans who have encountered hunger in this land of plenty, can then make bread.

The House Agriculture Committee has given unanimous approval to this bill which I introduced in the House and which has been amended to reflect the views of the entire committee. I believe it now accomplishes the intended purpose of my original bill, and those introduced by my colleagues who have similar economic situations in their districts, and also strengthens the assistance program for needy persons and the agricultural program.

This legislation, which I am confident will be approved here today, calls for the Secretary of Health, Education, and Welfare to assume the responsibility of distribution of surplus agriculture commodities for relief purposes in two specific types of distress areas. Commodities which are available for donation under section 416 of the Agricultural Act of 1949 will be made available to the Secretary of Health, Education, and Welfare without charge. Other commodities, which are not perishable and thus not available generally, will be made available also but the Commodity Credit Corporation will be reimbursed for these commodities and for any extra processing or handling required to make them available for distribution.

The bill under consideration will be limited in its operations to two types of areas—those designated by the Secretary of Labor as areas of substantial labor surplus and those designated by the President as warranting assistance by the Federal Government because of a major disaster. The first type operation will include those areas suffering acute economic distress such as results from the closing down of coal-mining facilities. The second type operation includes agricultural areas suffering disaster from drought and similar natural causes.

I wish to emphasize to the Members that there are safeguards written into this legislation to make certain that only needy persons receive any products made available to the States. The Governor of a State desiring this aid must certify to the Secretary of Health, Education, and Welfare that there is acute distress prevailing in the areas because of pre-

vailing conditions, and that arrangements have been made for a properly designated State agency to distribute the food.

In Virginia, we have a commodity distribution section located in the department of agriculture and a supervisor of distribution. This supervisor orders commodities in quantities needed and they are then distributed to the local welfare departments in carload quantities and are made available to families who are investigated and certified as being in need. The quantity of commodities distributed through welfare channels since July 1, 1954, in the six counties mentioned above have been worth about \$3 million. These people are grateful for this aid which has meant the difference in going hungry and in receiving food while seeking employment.

I wish to state that the quantities of surplus food commodities which can be requisitioned by the Secretary of Health, Education, and Welfare are limited to those quantities which can be effectively distributed and utilized by families and persons determined to be in need in the areas approved for inclusion in the program.

The Agriculture Department has opposed this bill because its officials feel distribution of flour and meal may interfere with normal channels of trade. I do not believe that this is a valid reason for such opposition. The people who will receive these grain products have exhausted their sources of income and do not have funds to purchase flour and meal. In other words, we have a breadline in sections of our Nation but there is no bread.

I feel that the Federal Government must recognize that we have these depressed economic areas and take steps to aid the residents in such areas. I realize that this is a temporary relief measure but it is a necessary one. We have made grain and grain products available to hungry people in other nations; let us put our own people, who helped through their taxes to finance these foreign relief operations, on the same basis as those needy people overseas. We have the grain; it is time to make use of it in a worthwhile program.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. BURDICK. I want to take this occasion to congratulate the gentleman on his very able presentation of this matter. It is a worthwhile cause and should be supported by everyone.

Mr. JENNINGS. I thank the gentleman from North Dakota.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I have tried to make some investigation of this matter since the gentleman brought the matter up with the committee. I must frankly state I have not been able to locate any headlines in any part of Virginia.

Mr. JENNINGS. No; we do not have the bread available. These people like the bread but it is not available.

Mr. AUGUST H. ANDRESEN. I am not being facetious about this matter because I think it is a serious thing. Is it not true that in the coal areas represented by the gentleman there is a great deal of unemployment?

Mr. JENNINGS. Yes; that is true.

Mr. AUGUST H. ANDRESEN. That is what causes the need for relief. But I still say that I have not found any place in Virginia, even in the gentleman's area, where these people are not able to get bread from some source. I do not question the gentleman's motives on this legislation, and I am in sympathy with what he seeks to accomplish, but where are these breadlines to which the gentleman refers?

Mr. JENNINGS. They are in the six coal-producing counties which I just referred to. For lack of a better name to call this program I called it a breadline without bread.

The supervisor of commodity distribution in Virginia told me that as he stood by a little store building in the mountains of Russell County, Va., a proud little old lady with tears rolling down her cheeks came up to him and said, "I never dreamed when we owned this little building and operated a little grocery store that the time would ever come when we would have to ask for Government food. The reason we lost our little store was that we just could not refuse to credit these poor people for flour, meal, and beans, even when we knew that they could not pay us for a long time, if ever. Then we could not pay our own bills and they closed us up. We are not bitter, though, even if we cannot understand so many things that are going on in this big country of ours. Surely our own Government will not fail us at a time when they are doing so much for so many people everywhere."

That points out that they are not getting the flour and meal.

Mr. AUGUST H. ANDRESEN. That is a fine, pointed statement the gentleman has made. Is it the purpose of the gentleman's bill that these people shall be given flour and cornmeal, and if they are given such flour and cornmeal, do they have facilities so that they can bake it, or must they have a baker bake it for them?

Mr. JENNINGS. These mountain people are very resourceful, and I am sure they will be able to bake it as they have in the past when the commodities and ingredients have been made available to them.

Let me add that we are only adding flour and meal to the commodities they are presently receiving, cheese, dried milk, beans, rice, and shortening.

Mr. AUGUST H. ANDRESEN. And butter.

Mr. JENNINGS. And butter, yes. Of course, the gentleman from Minnesota would think of butter.

Mr. AUGUST H. ANDRESEN. And they must have bread on which to spread the butter.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to my subcommittee chairman.

Mr. GRANT. I want to compliment the gentleman from Virginia on this bill. I know he has spent a good deal of time and effort in working on it, and he has been aided by others, by the gentleman from Alabama [Mr. ELLIOTT] and our friend, the gentleman from West Virginia [Mr. BAILEY].

Mention was made a moment ago about there being no need for this. Is it not a fact that the need will have to be shown, so the flour and meal will not be wasted?

Mr. JENNINGS. Yes, it certainly will. This will be available under only two conditions. One is that there is a surplus of labor which is certified by the Secretary of Labor to the Health, Education, and Welfare Department, and then certified by the Governor of the State, and the other is that the President shall declare it a distress area. So the need must be shown, and it must be supervised beyond any reasonable doubt so there will be no waste.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KING], a member of the committee.

Mr. KING of Pennsylvania. Mr. Chairman, this is not a very important bill. It will not accomplish much and it will not do much harm. It is supported, of course, by those who have an honest concern for those who really need free food. It is an extension of a system which we already have for the distribution of free food. And coming from Pennsylvania, I should consider this quite important because I understand Pennsylvania is now getting more of this free surplus food than all the other States of the Union combined. This bill is also being supported by the high-price supporters who are worried about getting rid of the surpluses that are being accumulated by the ridiculous farm program we have before us. But even in that respect, it will not accomplish much. It should be realized that the Department of Agriculture is opposed to this bill purely on the grounds that it will not accomplish anything in the movement of the Government surplus, and it certainly will not accomplish much in putting bread into the mouths that are not getting bread. It does, of course, extend the authority of the Commodity Credit Corporation and puts the Commodity Credit Corporation into the processing business where it has not previously been. So it is enlarging an operation which is already a great burden to our country. This scheme, as I say, of merely adding the flour and cornmeal to the list of commodities that can be given away free, really costs the taxpayers more than giving them the cash with which to buy the bread and the meal that is already in their territory, because if the Government is going to supervise it, it will have to let the contracts for special milling lots and then they have to set up a separate distributing system for getting it to the location of the people who need it. It is certainly not going to be any cheaper for the taxpayers to do it this way, and it is going to be more cumbersome for the Department of Ag-

riculture with the Commodity Credit Corporation handling it. But, of course, you should remember that those who are interested in this farm program and in getting rid of this surplus do not want to see anything like this charged to the farm program, so they have made sure in this bill that the cost is going to be transferred to the Department of Health, Education, and Welfare. That, of course, is a very important point, and it was important in the discussions before our committee to see who is going to pay the bill. I am not strenuously opposed to this bill, but I say it is not very important, and it will not accomplish much. Any of the wheat that is distributed through this process will have to be picked up again, just as in the case of the dairy products. The justification for all this food distribution is need—not that it is going to relieve the Government of surpluses, because any distribution of these surpluses domestically simply means that that much demand is taken out of the free market and the Government has to pick it up again. It is a nice scheme for rotating the supply, but it is not relieving the Government any.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield.

Mr. VORYS. Would this bill have any significance in establishing a precedent?

Mr. KING of Pennsylvania. Simply that it extends the authority of the Commodity Credit Corporation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, in this matter I disagree with my good friend from Pennsylvania [Mr. KING] because I think the distribution of surplus food has been a good program, worked out under current laws with the cooperation of the United States Department of Agriculture, the States, and the local authorities.

As you know, I represent the city of Pittsburgh, and Clairton, including the southern part of Allegheny County in Pennsylvania. We have had distress there caused by unemployment, and this program has helped conditions considerably. Our volunteer food distribution boards in the various communities of our area have done an outstanding job.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I will be glad to yield to my good friend.

Mr. KING of Pennsylvania. I did not mean to criticize the program of distributing food, except to point out that it was not accomplishing the disposal of surpluses in any way. I agree with the general justification for giving food to people who need it.

Mr. FULTON. I thank the gentleman.

I wanted to report here on the program that has been set up in Allegheny County, because I had been asked by the Central Labor Union of Pittsburgh

to help set up the program in Pennsylvania, under the previous Republican administration. Joined with me in setting up that program in Allegheny County were Congressman CORBETT, Congressman EBERHARTER, and Congresswoman BUCHANAN. We were able, in working with the Secretary, and the officials of the United States Department of Agriculture, to set up the free food distribution program providing originally for 7,500 unemployed persons in our county, to alleviate distress that could not reasonably be taken care of by our voluntary agencies.

In the city of Pittsburgh and Allegheny County that program has now grown until there are in excess of 160,000 unemployed persons on an average receiving free food under this program. I am proud to have been part of this fine program, in which so many good citizens are volunteering their time and services.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. AUGUST H. ANDRESEN. How far does the gentleman think we should go in the distribution of these surplus foods? Should it include people who are in need because they are out of work on strike?

Mr. FULTON. I do not believe we can ask the person in need of food and hungry why and for what reason he and his family are hungry. The children of a man on strike or unemployed are entitled in my view to adequate food just as the children of those who work or who do not need to work. We had a department-store strike in Pittsburgh. There was some criticism of the fact that food was brought in to take care of the families and children of these people—5,000 of whom were on strike at the time—which, unfortunately, continued for many months before settlement. My position was then, and it is now, that not in labor relations in Pittsburgh nor in the United States should we use starvation as an economic weapon in a strike dispute, no matter which side is in the right. Actually, the need for the free food-distribution program is at the family level, where children are not getting proper supplies for growth and development. We people who are mature should not settle our industrial disputes at the expense of children; nor should the Government take steps to exclude children from social welfare or free food programs because a relative or family member might be on strike.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. FULTON. I thank the gentleman from North Carolina.

I feel that this Federal free food distribution has been a well-run program and should be expanded by this current legislation. I am glad to see that it is being expanded and that the Federal Government will take the responsibility of moving the food products into centralized agencies in the State, and will bear

the cost of processing the foods for this program. This program does two things: In this case it helps the cities because these receiving people are unemployed, have no purchasing power, and must eat; likewise, it helps the country and farm areas because we are helping to dispose of surpluses that are now costing such high amounts in just keeping commodities in storage, and there is danger of much of it spoiling.

This is not a relief program because these same recipient people have themselves paid high price supports to keep up the prices of such food, so they could buy less and save less when they were employed and had money. In addition, they have paid Federal taxes that have been used to do the purchasing of these very surplus commodities. Therefore, I feel that whether it is on an individual basis or a group basis, these needy United States families are entitled to this kind of a Federal free surplus food-distribution program and so it should be set up and be broadened by the bill under consideration. I urge both my Republican and Democratic colleagues to vote for this program under this legislation.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. POFF. Mr. Chairman, will the gentleman from West Virginia yield for a question of an explanatory nature?

Mr. BAILEY. I yield briefly.

Mr. POFF. As I understand, only those grains which are in CCC warehouses will be used for processing. Is that it?

Mr. BAILEY. I assume that is correct; I do not know.

Mr. JENNINGS. No, only those grains which are in CCC warehouses or which will be procured under the price-support program; any grain now in possession or that may come into the possession of CCC.

Mr. POFF. I understand, but what does this statement at the bottom of page 5 of the committee report mean where it states:

The language of the bill is broad enough to permit purchase by CCC of equivalent quantities of processed products rather than go through the possibly more expensive procedure of arranging for the processing and packaging of the grain?

Mr. BAILEY. That would mean that they could purchase already processed flour in lieu of arranging to have somebody grind the wheat into flour.

Mr. Chairman, I cannot yield further.

Mr. Chairman, before going into the merits of the legislation contained in House Resolution 2851—the Jennings bill—may I extend my sincere thanks to the chairman of the House Agriculture Committee, the distinguished gentleman from North Carolina [Mr. COOLEY], and to the members of his committee for the action taken in reporting this legislation unanimously.

I want also to express my appreciation to the members of the Rules Committee for the prompt action in granting a rule and, most of all, my thanks to our distinguished majority floor leader, Mr.

McCORMACK, in promptly scheduling this legislation for House action.

I am sure my colleagues will better understand the need for this legislation and the urgency for its immediate passage if I take the time to give them some necessary background.

Due to the fact that 17 percent plus of West Virginia's labor force is presently unemployed, it is one of the soft spots in our national economy. Unemployment is largely in the coal-mining industry, where more than 61,000 miners have lost their jobs since 1951. This is due in a large measure to the uncontrolled imports of cheap foreign oil that has displaced our soft-coal markets.

The situation is aggravated by the fact that most of these miners have long since drawn all of their unemployment compensation, and they and their families are objects of charity. A total of 253,000 men, women, and children, representing 1 out of every 8 persons in the State, are existing today on surplus food allotments, consisting mostly of butter, cheese, dried beans, dry milk, and a limited amount of cooking fluids.

Scores of communities that were once flourishing mining centers of from one to two thousand population are today ghost towns. The mine has been abandoned; the company store closed, and there are no other sources of employment available within the State. These people have no purchasing power, and the distribution of flour and corn meal, added to the present surplus foods, would in no way interfere with normal markets. There just is not any market.

THE CRITICAL AREAS—STATE ORGANIZATION

I am certain my colleagues are aware of my continued interest in lightening the burden of these unfortunate people. You will recall in the 1st session of the 83d Congress, in 1953, the Congress authorized a grant of 37 million bushels of surplus wheat to Pakistan. A part of this grant was to be distributed to the starving population of this country. We not only gave them the wheat, but paid \$21 million in freight charges.

You will recall that I attempted to amend the Pakistan wheat proposal to provide for distribution of wheat or flour to the needy people in areas of our own country where the President had declared a critical situation existed due to unemployment. I lost my amendment by a margin of only 11 votes.

In the 2d session of the 83d Congress, when the present surplus food-disposal legislation came before the House, I succeeded in amending legislation to provide for the transfer of wheat from the Commodity Credit Corporation to the Marketing Division of the Department of Agriculture for distribution to the needy people in this country. Months after the passage of this legislation I was advised by the officials of the Commodity Credit Corporation that they would not make this wheat available for distribution because it would interfere with normal marketing.

Today, not a single needy individual in the State of West Virginia has received a single sack of flour or package

of ground meal out of the bountiful supply of surplus in the commodities held by the Commodity Credit Corporation.

The sole purpose of the legislation before you is to provide that these people in the several States in areas that are critical, due to unemployment, are immediately permitted to share the same gratuity that we are handing out to people abroad under the provisions of the existing Surplus Food Disposal Act.

This act provides that the President may distribute to needy people abroad for the purpose of buying their good will an amount not to exceed \$300 million of surplus food by the Commodity Credit Corporation.

A recent check on expenditures under this provision of the act discloses that a major part of the appropriation has already been used by Mr. Stassen's group in the packaging and transportation of surplus foods to a large number of foreign nations.

Why, I ask you in all sincerity, cannot the hungry and needy people within our own border be accorded an equal opportunity to share in this distribution? Time will not permit me to give you the details of a tragic situation in my State which today has the greatest percentage of unemployment in any of the 48 States. You, my colleagues, know full well that the major part of my activities as a Member of this body has been directed toward correcting a situation for which the people of West Virginia are in no way responsible.

My plea to you today is that you give speedy approval to this temporary arrangement that will permit these people to eke out a living until such time as the Congress may elect to change our basic laws in order to permit the economy of my State to return to normalcy.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I would like to observe that a moment ago I mentioned the names of the authors of these many bills. I left out the name of the gentleman from Illinois [Mr. GRAY], who was the author of one of these bills. I failed to mention the activities of the gentleman from Pennsylvania [Mr. SAYLOR] and his great interest in behalf of this legislation. I think all Members of the House and all members of the Committee on Agriculture appreciate the diligence with which he has pressed this matter to the final point we reach today.

Mr. SAYLOR. I thank the chairman of the Committee on Agriculture for those kind words.

Mr. Chairman, I urge the Committee of the Whole to adopt this bill. The principal industry in my congressional district is the mining of coal, and as the Members of Congress know it is a sick industry. As a result, many miners who have worked 30 or 40 years, and in some

instances longer, now find themselves unemployed through no fault of their own. Their unemployment compensation is exhausted—their savings have been spent—and they are now living on relief.

They appreciate the fact that when they were working they paid their taxes and were a large segment of the buying market in those areas. Today, they have purchasing power.

They are grateful that a part of their taxes were used in the price-support program and that they have received from that program dried milk, butter, cheese, beans, and canned meats when available.

What this bill will do will add the staff of life—flour and meal—to those commodities they are now receiving.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has asked whether or not there were any breadlines. I can tell him very frankly that if he, or anyone else who is interested, will come to my district they will not find bread lines as such, but they will find long lines of unemployed people receiving the certificates which will enable them to obtain from the food depots this surplus food. This is not an uncommon occurrence, but rather a common occurrence in every town in the three county area of Pennsylvania which I represent.

The recipients of this food are American citizens who do not desire to receive public charity. What they desire is a job—whether in the coal mines or any other industry—so that they can earn their living, pay their taxes and continue to contribute to the growth of this country.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I am sorry to hear that condition exists in the great State of Pennsylvania.

Mr. SAYLOR. It is an unfortunate situation and I do not like to have to say that it exists, but because of the fact that a flood of oil is coming into this country, placing our miners out of work, the situation does exist and if this House would go along with some of the Representatives from the coal areas and see to it that this flood of residual oil is stopped, I can say to you that we would not be here asking for this because our men would be working.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

(Mr. VAN ZANDT asked and was given permission to revise and extend his remarks.)

Mr. VAN ZANDT. Mr. Chairman, I am supporting H. R. 2851, a bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

In plain words, the purpose of the bill as introduced was to authorize the Department of Agriculture to process wheat and corn into flour and cornmeal for distribution to needy persons in the United States.

In addition to H. R. 2851 the committee amendment has my approval since it will transfer from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare the responsibility of the distribution of surplus agricultural commodities for relief purposes in two specific types of distressed areas, namely those designated by the Secretary of Labor as areas of "substantial labor surplus" and those designated by the President as warranting assistance because of a major disaster.

Mr. Chairman, H. R. 2851 is similar in some respects to my three bills, H. R. 863, introduced early in January and H. R. 3144 and 3145, all of which deal with the distribution of surplus commodities to needy persons in the United States.

My interest in the distribution of surplus commodities began several years ago as unemployment mounted in my congressional district while Government warehouses were bulging at the seams with surplus commodities valued at billions of dollars.

Back in 1949 the United States Department of Labor because of the unemployment in my congressional district classified it as a critical area, and today with better than 18 percent of the civilian labor force unemployed, my district is classified in group IV-B as an area having a very substantial labor surplus.

Therefore, if H. R. 2851, as amended, becomes law the unemployment in my district will qualify under its provisions to receive surplus commodities in a form suitable for home use.

In other words, the unemployed will receive flour and cornmeal in addition to surplus commodities now available under the existing program.

Mr. Chairman, as I have mentioned previously, over 18 percent of the civilian labor force in my congressional district is unemployed and is principally composed of coal miners and railroaders who have exhausted their unemployment-insurance benefits, liquidated their savings accounts, borrowed on or have taken the cash value of their insurance policies, and today are living on public assistance and surplus commodities.

To give you some idea of the overall picture of unemployment in my congressional district, let me call your attention to the following chart that describes the number of families and persons receiving surplus commodities:

Surplus commodities

County	Number of families	Percentage of all families	Total number of persons	Percentage of county population
Blair.....	10,801	26.8	32,561	23.3
Centre.....	2,939	15.9	9,362	14.2
Clearfield.....	9,988	42.2	37,179	43.3
Total.....	23,728	28.8	79,402	27.1
Entire State of Pennsylvania.....			1,020,963	19.7

As you know, Mr. Chairman, before you receive coupons for surplus commodities you have to be certified as eligible by a local welfare agency.

Therefore these figures are official and have been verified not only by the State of Pennsylvania but also by the county commissioners in each of the three counties in my congressional district.

*Surplus commodities by carload lots to
Mar. 1, 1955*

County	Beans	Beef	Butter	Cheese	Dried milk	Rice	Shortening
Blair.....	2	16	21	19	18	1	16
Centre.....	3½	4	3	5	5	½	4
Clearfield.....	4	5	16	14	16	1	13
Total number of carloads.....	6½	25	40	38	39	2½	33
Grand total.....			184				

Mr. Chairman, there is no denial of the fact that these figures are startling and are an answer to those who smugly insist that there is no acute unemployment problem in the labor-surplus areas of the Nation.

Think of it, Mr. Chairman, according to the Pennsylvania Department of Property and Supplies, in the great industrial State of Pennsylvania, out of its 10½ million residents, nearly 10 percent, or 1,020,963 are living on surplus commodities.

In this congressional district comprising Blair, Centre, and Clearfield Counties, out of a population of 292,000, nearly 28 percent or 79,402 persons are receiving surplus commodities.

Mr. Chairman, these figures are startling for they truly portray the extent of unemployment in my congressional district as well as in the entire State of Pennsylvania.

As I said in the beginning of this statement, the processing of wheat into flour and corn into meal will enable the families of the unemployed to use these surplus commodities to good advantage since many housewives still bake their own bread and muffins and can put the flour and meal to good use in arranging the family diet.

Mr. Chairman, this idea of processing wheat into flour and corn into meal as provided for in H. R. 2851 will not establish a precedent in the handling and distribution of surplus commodities, because over a period of years the United States Department of Agriculture has been distributing canned beef and gravy in processed form.

According to the report of the United States Department of Agriculture, during the period from March to December of 1953, they purchased nearly 172 million pounds of canned beef and gravy for distribution here in the United States, while nearly 12 million more pounds of canned beef and gravy were purchased for export, mainly to Greece and Germany.

The cost of these purchases was in excess of \$72 million.

Mr. Chairman, if it has been possible to put beef and gravy in a tin container for distribution, I can see no reason why wheat and corn should not be processed into flour and meal for the unemployed of the Nation.

Therefore, I hope that H. R. 2851 will receive favorable consideration.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I thought I would take this time to clear up what may be a misunderstanding as far as the distribution of wheat flour and corn meal is concerned. I have talked with the Solicitor of the Department of Agriculture and also with the proper officials in the Commodity Credit Corporation, and they advise me that they do not find any authority under existing law to permit them to pay the cost of processing wheat into flour or corn into corn meal.

They do not object to this bill, but they do not feel that they can go ahead unless there is authority granted to them to carry out the purpose and intent of the members of our Committee on Agriculture as expressed in this bill.

We had a hearing on this bill. Unfortunately, the hearings are not available here today. But I have examined them and I find nothing in those hearings to indicate that there is any material opposition to the purpose of the proposed legislation. The main opposition has come on the question of distribution and the question of who is to pay the cost of processing.

It is a simple matter to make an exchange of wheat with flour mills so that the Commodity Credit Corporation could turn over a certain amount of wheat to the flour mills and take in exchange therefor flour that has been actually milled for distribution. The same could be done with corn. So it would be less expensive and less difficult to make that exchange of wheat and corn for flour and meal.

Mr. BAILEY. That is what the bill provides.

Mr. AUGUST H. ANDRESEN. I am saying that this bill is intended to give authority to the Commodity Credit Corporation to do the very thing which the gentleman from Virginia [Mr. JENNINGS] and others have proposed here today. I am not opposed to this bill. I am just amazed to hear that in certain areas of the country there are now breadlines because of the inability of the local people or of some agency, either of the State or Federal Government, to take care of the situation. Certainly the people should have bread. They are being given butter and cheese and a good many other things from surplus food. Bread is the cheapest thing. We have an abundance of wheat in this country. Certainly we should see to it that needy people or those who are on relief and who are deserving get it.

Mr. BAILEY. Does not the gentleman think that they should have some bread on which to spread that fine Wisconsin butter?

Mr. AUGUST H. ANDRESEN. I do not know so much about the Wisconsin butter, but I would like to see them spread some Minnesota butter on it. They are getting Minnesota butter, and I am glad of it, because I feel that it is our first duty to take care of people in need in this country. Charity begins at home. We should let it begin at home instead of having it begin in some other country in the world.

The gentleman from West Virginia indicated he wanted me to yield to him, and I yield to him at this time.

Mr. BURNSIDE. The gentleman has largely covered the question I had in mind of exchanging flour for milled wheat. The same thing could be done with corn, the only question being the matter of the cost of processing.

Mr. AUGUST H. ANDRESEN. There should be no material objection to this bill. We are here dealing with American citizens, with people who are allegedly on relief. I do not find that situation out in my area. The relief agencies there are taking care of those who are in need. I feel they should probably do the same thing in the States of Virginia or West Virginia or in the other States, because bread is the cheapest commodity in the United States. As long as they are not getting bread, I am willing that the needy be given flour for bread. I am willing to take the word of the governor of the great Commonwealth of Virginia. I am referring to Governor Stanley, who is one of the finest men I have ever met. He verifies the fact that there are some 12,400 people unemployed and that the number on the relief rolls down there is approximately 66,770.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from West Virginia.

Mr. BAILEY. I do not know that the gentleman is aware of the fact that the State of West Virginia has set up a distributing center and has purchased and is operating 8 trucks full time, 24 hours a day, in the distribution of surplus commodities.

Mr. AUGUST H. ANDRESEN. I am glad to hear they have been willing to purchase the trucks to distribute the surplus commodities which the Government gives them.

Mr. BAILEY. And they pay the salaries of the people who are making the distribution.

Mr. AUGUST H. ANDRESEN. I am glad they have done that. Out in our State we have the welfare organization and we have our Community Chest, that tries to take care of the people that are in need. If they are in need of surplus food, we certainly want them to get it, just as well as the people of Virginia and other States of the country.

Mr. BAILEY. I thank the gentleman, and appreciate what he has to say.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, no one has mentioned the fact that on page 78 of the hearings Mr. Earl Hughes, Administrator of the Commodity Credit Corporation, said this:

We have no objection to making these products available if some other agency wants to reimburse the Commodity Credit for them.

All this argument we are having at this moment amounts to about this, and as far as the bill itself is concerned, all we are trying to do in this matter, after the manner in which it was rewritten in

our committee, is to arrange the legislation so that the Department of Agriculture, handling the surpluses, can turn over to the Health, Education, and Welfare Department the surplus products, and they assume the expense of delivering these packaged or processed products to the local communities. Then the communities, we are assuming, take charge of the products from there on out to the families and to the communities that need them. I am sure I am right in that. That is all we are trying to do.

There is no nation in the world that has been, shall I say, as goodhearted—that is an old western word—to all the world as we have been. We have answered the call of hungry people in every spot on the face of this earth. Is there any reason in the world why, if we have a surplus product in the hands of the Commodity Credit Corporation, we should not make it just as easy as possible to get it into any area that needs that type and kind of food? That was the reasoning behind this bill and that was the feeling that our committee had. We were not considering going into detail as to what brought all this unemployment about or what caused these particular places to be short of food supplies. All we were trying to do was to take care of the surpluses we had on hand and do it in the most equitable and the most efficient manner possible.

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. ELLIOTT].

(Mr. ELLIOTT asked and was given permission to revise and extend his remarks.)

Mr. ELLIOTT. Mr. Chairman, first I want to express my appreciation to the House Committee on Agriculture, and to the gentleman from Virginia [Mr. JENNINGS], for bringing to the floor for debate this afternoon, the bill H. R. 2851 to authorize the United States Department of Agriculture to process surplus wheat and corn into flour and cornmeal for distribution to needy persons in the United States.

The members of this committee and of the United States House of Representatives know of my interest in this matter over the recent years. I had the privilege of appearing before the Committee on Agriculture last year and urging a greatly expanded program for the distribution of surplus commodities to people in need throughout the United States. It was generally thought at that time that the law was sufficiently broad to authorize the Secretary of Agriculture, Mr. Benson, to go ahead and process surplus stocks of wheat and corn into flour and cornmeal and distribute them along with other agricultural commodities. While home last fall I looked around and found that the Secretary of Agriculture was not distributing flour and cornmeal, so on December 6, 1954, I wrote Secretary Benson urging that he immediately make flour available to the unemployed people of this country. Secretary Benson took the position that he did not have the legal authority to

distribute flour and cornmeal, so it behooves us to pass the bill before us and give him the specific authority to do so.

For several years now we have furnished food and other assistance to our allies and friends around the world. Certainly we can do no less than to help our own people in this program. Charity begins at home.

Mr. Chairman, some Members have expressed the doubt that breadlines exist in this country. Much has been said about our high plane of prosperity in this country. It is true that some 62 million people are employed in America. It is true that the stock market is higher perhaps than it has ever been. Installment credit is easier to come by than ever before. But, Mr. Chairman, underneath it all are the 3 million unemployed people in this country. They can be found in many areas of the country. They are the people who are leaving the farm because they do not have the money to mechanize their farms and finance themselves for a few years. They are the people who have seen the diesel engine steal their coal markets. They are the people who have seen the coal mines close that gave them sustenance over the years. They are the people who have seen altogether too low unemployment compensation used up, and who face the despair of the future without the hope and feeling of well-being that regular employment gives.

Unemployment is an economic curse. It is an economic disease as deadly as cancer. There is no place for widespread unemployment in the United States. Members of this House know that for several years now I have been urging our Government to set up a special program for these areas of high unemployment.

My home county, Walker County, Ala., is an area of high unemployment. The failure of its coal industry threw thousands of people out of employment. The drought of the last 4 years in other counties of the Seventh Congressional District of Alabama left want, hunger, and suffering in its wake. Walker was the first county in Alabama to qualify for surplus agricultural commodities. Other counties of the Seventh Congressional District of Alabama qualified later. Millions of dollars' worth of food has been distributed through this program in our congressional district. It is being distributed today. But, Mr. Chairman, as necessary as this program has been, what the thousands of needy people of the congressional district I represent want and need is jobs.

Our Federal Government has not given sufficient attention to their needs. There are many things that our Government could do for the areas of high unemployment. It could build needed public projects in those areas. It could improve and develop the rivers in the areas of the unemployed. It could engage in a program of the construction of public buildings, schools, roads, and others.

The point I am making is that our Government has not adopted a program to eradicate unemployment. We have done some things such as this program

for the distribution of surplus foods, but that is not enough. We should have a broad national policy, and program against depressions. Widespread unemployment is out of place in the age in which we live. Our Government should not tolerate it. At least it should make a much greater effort than has been made to eradicate it. The prevailing philosophy in the Government appears to be that of the ostrich that hides his head in the sand. Some even argue that regardless of what is done you will always have a considerable amount of unemployment. I have even heard it argued that it is economically healthy for us to have about 3 million people unemployed. These are defeatist arguments. They are defeatist ideas. I do not subscribe to them. They are based on a false philosophy. When unemployment rears its ugly head Government should do what can reasonably be done to stamp it out. This Government has not done what can be reasonably done. It has not given sufficient attention to the problems of the unemployed. Those problems cry for a solution.

As I have already stated this bill before us to add flour and cornmeal to the list of surplus commodities for distribution to unemployed and needy people is a good bill as far as it goes. It should be passed. I am confident it will be passed. I trust this Government of ours will also immediately give serious consideration to the larger problem of finding jobs for our unemployed. The people want jobs. Their Government should provide much more leadership than it has shown to date to find the answer to the problem of unemployment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I strongly favor the immediate enactment of H. R. 2851. This legislation is of tremendous importance to thousands of coal miners and other workers who have lost their jobs through no fault of their own in the district which I represent in Congress. These coal miners have long since exhausted all benefits under unemployment compensation laws. Last year I introduced a bill, H. R. 8585, which would have granted 50 percent additional unemployment benefits to coal miners and others in industries who are unemployed due to the foreign trade policies of the United States such as importation of residual fuel oil. Hearings were conducted before the Ways and Means Committee but I was unable to obtain favorable action. The bill would also have applied to lead and zinc workers. I have also introduced a bill, H. R. 5956, to authorize the Commodity Credit Corporation to process food commodities for distribution to needy unemployed persons identical with the bill we are considering. No finer use could be found for the surplus wheat and corn which the United States Department of Agriculture has accumulated under its price-support program than to process this wheat and corn into flour and meal and distribute it to our own unemployed workers who are out of work through no fault of their own due to the closing

down of coal mines and plants and disasters from droughts and similar causes.

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. KELLEY] such time as he may desire.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I think one point has been overlooked and that is that the food which is presently being distributed does not provide for a balanced diet.

This bill will provide a balanced diet which is so essential to the physical well-being of people. This is particularly true of children. Growing children need a balanced diet in order to build up their physical strength and to grow to be normal adults.

In addition, this measure will provide additional food for people who are in distress in many areas of the United States and particularly in my State of Pennsylvania. Two-thirds of the surplus plus food distributed in the United States goes to Pennsylvania. That is how serious the problem of poverty and undernourishment is in this great State.

I am hopeful that the bill will pass. It looks as if there were not very much opposition to it, which of course there should not be. Passage of this bill would no doubt add a great deal to the comfort and well-being of the recipients of this food.

Mrs. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. KELLEY of Pennsylvania. I yield.

Mrs. BUCHANAN. Mr. Chairman, this bill will greatly strengthen and increase the assistance we are presently giving through distribution of surplus foods to those in distress from unemployment and other causes beyond their control. This distress is a very grave matter in Pennsylvania as shown by the fact that two-thirds of all the surplus food distributed in the United States is distributed in that State.

The Pittsburgh area has been classified by the Secretary of Labor as an area of "substantial labor surplus" and therefore is one of the distress areas included in the bill.

Relief experts tell us of the relatively high consumption of cereal products by needy persons and families. And I know from experience how necessary wheat flour and corn meal is in feeding a family of growing children.

It was back in January 1954, Mr. Chairman, that I went down to Secretary Benson's office along with Congressmen EBERHARTER, CORBETT, and FULTON in response to a request from the Pittsburgh Central Labor Union for the distribution of surplus food to the increasing number of unemployed workers in the Pittsburgh area. At that time there were about 28,000 persons out of work in the Pittsburgh area and as a result of our visit surplus foods were made available to those in need in Allegheny County.

I have only recently received letters indicating that this food distribution program is still a most essential one and I am very happy to see that there is so little opposition to the pending bill which would broaden the program and add additional food items to the list.

(Mr. KELLEY of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Missouri [Mrs. SULLIVAN].

ALL NEEDY AMERICANS SHOULD BE ENABLED TO OBTAIN SURPLUS FOOD—WE NEED A NATIONAL FOOD STAMP PLAN

Mrs. SULLIVAN. Mr. Chairman, I support H. R. 2851 and will vote for it, but I want to say at this time it does not go far enough—it does not begin to go far enough—in meeting the needs of our very-low-income groups throughout the country.

It is tragic to have all of this surplus food piling up in storage, to such an extent that we are desperately trying to get rid of it all over the world, and yet have hungry people in the United States. And we do have families not getting sufficient quantities of nourishing food.

This bill now before us was intended to broaden the existing program of surplus food disposal in the United States, but the existing program is an inadequate program. Many of our States are not participating in it. They are unable to. This bill started out as an attempt to get to the people now receiving this surplus food, quantities of flour and cereals processed from surplus grains.

What we really need—and not just for people in the so-called distress areas or disaster areas, as this bill provides, but throughout the country wherever we have needy people and particularly families on relief or various forms of public assistance—is a food stamp plan such as provided in my bill, H. R. 5105.

I submit at this point in the RECORD a copy of a statement describing my bill: [For release Sunday a. m., March 20, 1955, from the office of Representative LEONOR K. (Mrs. JOHN B.) SULLIVAN, Third District, Missouri]

MRS. SULLIVAN READIES NEW FOOD STAMP BILL FOR INTRODUCTION IN CONGRESS

Congresswoman LEONOR K. SULLIVAN, Democrat, of St. Louis, announced last night she is planning to reintroduce this week a revised version of her much-discussed bill of last year to distribute a billion dollars worth of surplus food a year to needy Americans through a food stamp plan.

The original Sullivan bill was the first measure introduced in the House in the 83d Congress calling for a nationwide food stamp system of distribution of surplus foods to persons on relief and to other needy families. Since then there have been numerous similar measures introduced in both the House and Senate, some of them identical with Mrs. SULLIVAN's bill of last year.

Mrs. SULLIVAN said her new bill requires consultation by the Secretary of Agriculture with both the Secretary of Health, Education and Welfare and the Secretary of Labor in establishing standards for the distribution of the surplus foods.

"This provision arises primarily out of a suggestion which was made to me by Missouri Welfare Director Proctor N. Carter," Mrs. SULLIVAN said, "who pointed out that the Department of Health, Education and Welfare maintains direct relations with the State and local welfare agencies which would play such a large part in a successful food stamp distribution program."

She said that she added the provision giving the Secretary of Labor a voice in the distribution of the surplus foods because of

the responsibilities of his Department in the field of unemployment.

"The continuing high level of unemployment in the country, even though production has been increasing over the levels of last year, makes it important that we devise an effective program for getting some of our vast stores of surplus food to needy families," Mrs. SULLIVAN declared.

"The present system of distribution of the surpluses has been, I am sorry to say, very much of a hit-and-miss proposition, with some States participating and some not, with some areas operating their own food stamp plan and others giving out the food to anybody who wants to come and register for it. So far as I can determine there are no uniform standards and no means of assuring that the people who really need this help are actually getting it. The Department of Agriculture seems to be concerned more with getting rid of a storage headache than in helping to solve a serious human problem.

"Furthermore, there has been a good deal of criticism of the program in some areas of the country for permitting or encouraging so-called chiselers to get this food, while elsewhere people who are really hungry can get none. I do not know that the chiseling is actually occurring, but the whole surplus food distribution system has been chaotic, and that encourages all kinds of abuses and criticisms."

Under Mrs. SULLIVAN's measure the Secretary of Agriculture would be given broad discretion in setting up the actual mechanics of the distribution system—that is, in determining whether or not the food should be distributed through regular grocery stores or at special outlets set up in each participating community. The bill would require, however, that the food be packaged in convenient form for distribution at the local level, with the food stamps themselves to be issued by the welfare department or equivalent agency of the individual State or political subdivision participating in the program.

Stamps would be issued for each type of surplus food to be distributed.

A major principle of the Sullivan bill is that any surplus food distributed under the Act be in addition to, and not in place of, welfare assistance normally granted to needy persons by a State or local welfare agency.

For the purposes of the act needy persons are defined as those receiving public-welfare assistance or who are in need of such assistance but are ineligible because of State or local law (such as Missouri's employability law).

Mrs. SULLIVAN said: "Many of the bills which have been introduced on this subject since I first put mine in last year, and the surplus-food distribution system itself in some areas, provide for issuance of surplus food to people on unemployment compensation, or on social-security pensions or who have low-paying jobs. I do not oppose that idea at all—I think it is tragic to have people going hungry or not getting enough to eat when we have all this surplus food—but I think the most important part of this whole problem is to get this food to those who need it most. That is, to those on relief, those without jobs or unemployment compensation, those who are living right on the edge of malnutrition.

"Perhaps once we get a food-stamp program actually started and functioning smoothly then we can include all these other groups. My bill calls for a report by the Secretary of Agriculture within 6 months after the food-stamp program starts on the costs and problems of expanding it to include all of these other groups. But I think primarily we should get busy at once on providing a direct and effective system of distribution to those who we know are in real distress."

Mrs. SULLIVAN said that she looks forward to early hearings by the House Agricultural Committee on her bill.

Mr. Chairman, I also include a copy of H. R. 5105:

H. R. 5105

A bill to provide for the establishment of a food-stamp plan for the distribution of \$1,000,000,000 worth of surplus food commodities a year to needy persons and families in the United States

Be it enacted, etc., That in order to promote the general welfare, raise the levels of health and of nourishment for needy persons whose incomes prevent them from enjoying adequate diets, and to remove the specter of want, malnutrition, or hunger in the midst of mountains of surplus food now accumulating under Government ownership in warehouses and other storage facilities, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to promulgate and put into operation, as quickly as possible, a program to distribute to needy persons in the United States through a food-stamp system a portion of the surpluses of food commodities acquired and being stored by the Federal Government by reason of its price-support operations or other purchase programs.

SEC. 2. In carrying out such program, the Secretary shall—

(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

(2) issue, or cause to be issued, pursuant to section 3, food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

(3) distribute surplus food in packaged or other convenient form on the local level at such places as he may determine;

(4) establish standards under which, pursuant to section 3, the welfare authorities of any State or political subdivision thereof may participate in the food-stamp plan for the distribution of surplus foods to the needy;

(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in the first section of this act; and

(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this act.

SEC. 3. The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under section 2 (1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under section 2 (3).

SEC. 4. Surplus food distributed under this act shall be in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons by a State or any political subdivision thereof.

SEC. 5. In any one calendar year the Secretary is authorized to distribute surplus food under this act of a value of up to \$1,000,000,000, based on the cost to the Federal Government of acquiring, storing, and handling such food.

SEC. 6. The distribution of surplus food to needy persons in the United States under this act shall be in place of distribution to such needy persons under section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U. S. C., sec. 612c), as amended, and section 416 of the Agricultural Act of 1949, as amended: *Provided, however,* That nothing in this act shall affect distribution of surplus food presently provided for in such sections other than to needy persons as defined in section 7 of this act.

SEC. 7. For the purposes of this act, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

SEC. 8. The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare, and the Secretary of Labor, shall make a study of, and shall report to Congress within 6 months after the date of enactment of this act, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food-stamp plan established by this act to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this act by reason of section 7 of this act.

SEC. 9. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

Now, Mr. Chairman, I want to ask the chairman of the Committee on Agriculture if he will give me an early hearing on my food-stamp plan.

Mr. COOLEY. I am glad to report that I will be delighted to give you a hearing any time you can arrange to appear. I want to apologize for not having arranged an earlier hearing. I know of your great interest in the subject, and I agree with you that your bill does go much further than this bill, and at an early date we will try to arrange a meeting.

Mrs. SULLIVAN. I thank the gentleman very much.

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I rise in support of H. R. 2851. I want to congratulate my colleague, the distinguished gentleman from Virginia [Mr. JENNINGS] for his authorship, and our other colleagues, many of whom are here this afternoon, who have sponsored similar legislation.

I think it is a good bill. It shows our people back home that we are interested in helping them to the same extent that we are interested in helping the people across the seas.

I want to point out a similar thought such as was suggested by the gentleman from Missouri [Mrs. SULLIVAN]. I do not believe this bill goes quite far enough in looking into the various areas of America where people need help, and

in trying to give them help. I estimated a couple of years ago that there are 10 million people in the United States, based on information that I had, who were receiving a diet less than the minimum. They are actually in need of more food. I cannot see anything un-American in looking into the problem of using some of these surplus agricultural commodities to try to help our people in this country who are not getting enough to eat.

I have been somewhat intrigued this afternoon by some statements which would indicate that there is no distress in America. I am very thankful that in many of our areas there is no distress. I know that the Committee on Agriculture is not satisfied with the progress we have made, and we want to keep looking into this problem of how we can get good American food into good empty American stomachs.

I shall follow the legislation offered by the gentlewoman from Missouri [Mrs. SULLIVAN] with a great deal of interest, because I think her bill will give us another possibility of helping our needy people.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield.

Mr. McCORMACK. Fortunately we have what is called the American standard of living, which is a very high one, but that is a very deceptive phrase. You have to break it down into economic factors, recognizing that the family is the backbone of any nation in any society. If you have a good strong family life you have a strong society and a strong Government. If you have a weak family life you have a weak society and a weak Government. Right in our own country there are between 15 and 18 million American families constituting anywhere from 75 to 90 million people whose total family income every year is \$3,500 or less, and of those 15 to 18 million American families, there are between 4 and 5 million whose total family income is \$1,000 or less.

Mr. MATTHEWS. I thank the distinguished gentleman for his contribution, and I yield back the remainder of my time.

Mr. COOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I am glad to see the support for this legislation today. We all regret that we have these distressed areas over the Nation. I happen to represent one of those critical areas. The people that I represent do not want handouts. They prefer to have employment. To me the debate this afternoon points up the need for our governmental authorities to look into the needs of these distressed areas and see just what can be done to relieve the unemployment, particularly in the coal fields where a high percentage of unemployment exists today. There are basic reasons for such a high percentage of unemployment in the coal fields and this Congress should immediately tackle this problem.

Let me speak now in behalf of this bill. Many of the Members of Congress have been laboring under the impression that the Commodity Credit Corporation already possessed authority to process wheat. There cannot be any argument against legislation to authorize the Commodity Credit Corporation to process its surplus agricultural commodities in the same way that it is now processing these commodities which are donated to starving populations in foreign countries.

With more than three-quarters of a billion bushels of wheat on hand, it is unbelievable to find ourselves in a position where a governmental agency does not have authority to process surplus food commodities for the relief of the suffering of unemployed American workers and their families. It was the intent of the 83d Congress to give them the authority. Their argument during the past year has been that they were afraid it would interfere with normal commercial channels. We are only attempting to make flour available for those people who do not have any purchasing power. That is what the officials of the Commodity Credit Corporation told me, and I am mighty happy to hear the members of this committee support this legislation almost unanimously here this afternoon. Certainly, our people in this country who are unemployed and do not have any purchasing power should be treated as well as we treat our friends abroad.

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2 minutes to my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, there is no question but what every Member of this House is in favor of using our surpluses to relieve the want and suffering in the distress areas of the United States. My only criticism of this bill is that it does not go far enough. I would like to see it include the thousands upon thousands of old people in this country, who are forced to live on the meager allowances made under the old-age assistance programs, or who are trying to make ends meet on small pensions, and to include our charitable institutions. I know of many instances in my own congressional district where older people, handicapped persons and others in similar categories are having a difficult time to get the necessities of life. Six years ago, the gentleman from Massachusetts [Mr. HESELTON] joined me in sponsoring an amendment to similar legislation, then under consideration, which provided for the inclusion of our older folks and our charitable institutions as beneficiaries of surpluses then on hand.

In closing, Mr. Chairman, may I point out that, in my opinion, the bill before us illustrates conclusively the value of the price-support program which made this God-given surplus of food available. Certainly the people who have described our surplus food as a calamity must now see the error of their ways and join with those of us who have urged a strong

price-support program that will insure the production of ample food.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I have not much to say on the bill, because everybody knows I am for it; but I am glad to participate in this free debate. On every other occasion when there is any debate going on here we are threatened with the dire results of a veto, but there is no threat of a veto here this afternoon and the Congress can work its will.

There is one thing I am afraid of. I am on the Judiciary Committee where we dislike to give men what they have coming because we might establish a precedent. Somebody has raised that evil influence here this afternoon. The gentleman from Pennsylvania [Mr. KING] said we might establish a precedent. When it comes to deciding between a precedent and hungry people I am inclined to overlook the precedent. We had better establish one, we had better establish the precedent in this country that when American people are hungry through no fault of their own and we have oceans of food, the precedent ought to be that they have something to eat.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. SILER].

Mr. SILER. Mr. Chairman, I come from one of the greatest coal-producing counties in America, Harlan County, Ky. With my own eyes I have witnessed some of the financial distress that exists because of the low state of the bituminous coal industry.

I congratulate the gentleman from Virginia on the introduction of his bill. I introduced one of parallel nature. I think it is a good bill. It is a good bill because it accomplishes some worthwhile results at a very low cost. The reason the cost is low is because we already have the grain, the only cost being, as I understand it, the cost of processing the wheat and the corn into biscuits and corn bread.

When the Son of Man was on earth, He gave a parable in which He said:

For I was hungered, and ye gave Me no meat: I was thirsty, and ye gave Me no drink:

I was a stranger, and ye took Me not in: naked, and ye clothed Me not: sick, and in prison, and ye visited Me not.

Then shall they also answer Him, saying, Lord, when saw we Thee an hungered, or athirst or a stranger, or naked, or sick, or in prison, and did not minister unto Thee?

Then shall He answer them, saying, verily I say unto you, Inasmuch as ye did it not to one of the least of these, ye did it not to Me.

So I am glad and happy today that we are about to pass legislation which will do good among our brethren living in some of the underprivileged areas of America.

Mr. COOLEY. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I am glad indeed to have the opportunity of stand-

ing in the well of this House to speak in behalf of this worthwhile legislation. I come from southern Illinois where there are 30,000 able bodied men and women out of work, 25,000 receiving Government surplus food. It pleases me to be able to stand up and speak out at every opportunity I might have, to do something, whether it might be in a small way or large way, to help those suffering people.

I say to you this afternoon very, very sincerely I believe this bill is one that will be good for the people, it is a bill that will help alleviate some of the suffering of the people in my district by giving them bread upon the table.

I think it is time, here in America, that hungry people stop going down the road of want and need and march back up the road to plenty. I believe this bill will be a step in that direction; therefore, I am happy to support it. I introduced a companion bill to this bill introduced by the gentleman from Virginia [Mr. JENNINGS]. I congratulate the distinguished chairman of the committee, from North Carolina, and the members of the Committee on Agriculture for reporting out this bill.

Again I say it should receive your wholehearted support. It is a step in the right direction, only I do not think it goes far enough. We need to do more for the sick and hungry people of America. I wholeheartedly support this bill.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the substitute committee amendment as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted, etc., That, for the purpose of providing emergency assistance to persons determined to be in need in the United States pursuant to section 2 of this act, the Commodity Credit Corporation shall make available to the Secretary of Health, Education, and Welfare such agricultural commodities or products thereof, including cereals and cereal products, acquired through price support operations as the said Secretary shall requisition pursuant to section 2 hereof. With respect to commodities thus made available the Commodity Credit Corporation may pay processing, reprocessing, packaging, transporting, handling, and other charges up to the time of their delivery to one or more designated central locations in each State.

SEC. 2. Upon certification to the Secretary of Health, Education, and Welfare (hereinafter referred to as the Secretary) by the Secretary of Labor that any area in the United States has a substantial surplus of labor (according to standards established by the Secretary of Labor under Defense Manpower Policy No. 4 (18 F. R. 6995), or any similar rule, regulation, order or policy), or upon determination by the President that any area has suffered a major disaster warranting assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), and upon certification to the Secretary by the Governor of the State in which such area is located that there is acute distress in such area because of conditions prevailing therein, the Secretary is hereby directed to make available to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary for distribution to families and persons determined to be in need in such area agricultural commodities and the products thereof acquired by the

Commodity Credit Corporation through price support operations in such quantity as the Secretary determines can be effectively distributed and utilized and to requisition from the said Corporation such quantities of such commodities as the Secretary determines to be required for such distribution.

SEC. 3 The Commodity Credit Corporation shall make available without compensation to the Secretary of Health, Education, and Welfare pursuant to section 2 hereof commodities which the Secretary of Agriculture determines to be available for donation under section 416 of the Agricultural Act of 1949, as amended. With respect to all other commodities, including cereals, made available pursuant to section 2, the Commodity Credit Corporation shall be reimbursed by the Secretary of Health, Education, and Welfare for the acquisition cost of the commodity to the Commodity Credit Corporation or the current support price (whichever is lower) plus the costs of any processing, reprocessing, packaging, transporting, or handling required for delivery of the commodity pursuant to section 2 which the Secretary of Agriculture determines to be in excess of the normal costs incurred in moving such agricultural commodity into normal commercial channels. Expenditures authorized by this act may be made by the Commodity Credit Corporation in advance of appropriations and shall be entered on the books of the Corporation as accounts receivable.

SEC. 4. There are hereby authorized to be appropriated any moneys in the Treasury not otherwise appropriated, such sums as are required for the purposes of this act.

Mr. COOLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the substitute committee amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to take this time to pay tribute to a new member of our committee, the gentleman from Virginia [Mr. JENNINGS], who has succeeded to the position that was so long and so honorably occupied by our former colleague, Hon. John Flannagan, from the Ninth District of Virginia. Mr. Flannagan served on the Committee on Agriculture for many years, and for a number of years before he voluntarily retired from the Congress he was chairman of our committee and a great chairman and a great leader of agriculture laws. He was not only an agricultural leader but a great friend of the people. We are especially happy to have on our committee a man succeeding John Flannagan who is showing the same traits of leadership and the same interest in the welfare of his district and all of the people of the United States. I think a substantial share of the credit for this legislation must go to the gentleman from Virginia, although, of course, I recognize the fine work that many Members from other States have performed; particularly the gentleman from West Virginia [Mr. BAILEY], and others from West Virginia and from other sections of this country, including Pennsylvania and the other areas which have suffered this discouraging situation. They have shown a great interest in this legislation for a long time.

Mr. Chairman, this bill is not only a bill for the benefit of the coal-mining areas; it is a bill for establishing a sound and a reasonable working division of functions between the Department of Agriculture and the Department of Health, Education, and Welfare. It does separate some of the purely social and relief functions, which are proper functions of government, from the purely business functions, which are also proper functions of government, and it places the responsibility in terms of money where it should be placed, at least as far as storable commodities are concerned.

This bill makes available to the needy people of the United States the storable commodities on the same terms, as far as the recipients are concerned, as they have been receiving the perishable commodities. They would not have an opportunity, as the gentleman from Minnesota so well pointed out awhile ago, to receive these commodities had we not had a sound agricultural price-support program in this country which has resulted in the creation not of a deficit, not of starvation, not of want, but of an adequate supply of commodities.

Those who are not interested directly in the support program should have a very definite and a very personal reason for supporting a sound program that will encourage adequate production throughout America rather than to take the chance of winding up with empty graneries and empty warehouses, as we could so easily do if we followed the will of the wisp of the sliding or fluctuating support program which gives, according to its own supporters, no encouragement for the production of these basic foods that you are finding are so necessary, not simply to the farmer but so necessary to the needy people of America today.

Mr. Chairman, it seems to me that what has been said here today shows very clearly how important it is to the people of the cities, to the people of the mills and the mines of America to see that the farmer is given an adequate reason for producing abundantly.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I only wanted to say that I appreciate what the gentleman has said. I think it is generally conceded that no member of our committee has ever pursued with greater diligence or determination any bill than was manifested by the gentleman from Virginia in pushing the bill that he was sponsoring and is before us here today.

Mr. POAGE. I think it has been a fine exhibition of representing one's district and the needs of his people. I hope that the Members of this House will recognize that their people, too, stand in need of a sound agricultural policy that will assure adequate production and that we have had such a program for a good many years, and now it is all-important to the cities of America as to the rural sections of America to carry out that agricultural program that has made it possible for us to carry out this social program today.

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I think all on the floor, with one or two exceptions, expect to support this bill. I rise to point out once again that in our efforts to meet serious and immediate problems we frequently overlook the basis background which causes them. There has been enough said here today for some people in Government to begin to give some thought as to why we have this unemployment and why we have these farm commodities. We have had pointed out to the American people repeatedly, in recent months and for the last several years, the huge storehouses of agricultural commodities that we have. Few people have pointed out that we have them because the Department of Agriculture has held them off world markets and would not offer them for sale in world trade at competitive prices. Our losses have largely been in storage charges on the commodities the Secretary of Agriculture would not offer for sale at truly competitive prices. The result of holding our commodities is to cut down exports and as exports are cut down, under our formula of acreage allotment and marketing quotas, acreage is cut down.

As we cut down our exports, then we have on hand a greater supply and under the formula, the greater the supply, the further reduction in acreage we have. So that while we have had 90-percent supports, with ever-increasing acreage reductions because we would not export, the same price times less production has largely brought about reduced farm income. Of course, constantly increasing costs have not helped any. The answer is to sell our commodities and let the farmers farm.

I was called in the last few days and was asked what the action of the subcommittee which I have the honor to head, would be when the President's recommendations for appropriations to aid the small farmer came before us. I said that our committee, I am sure, will do their best for the small farmer. But I cannot see that the President's recommendations would help too much. If the President would tell Mr. Benson to exercise his authority, which he now has, to sell these commodities, so the small farmers could farm that would help—but his recommendations to extend more credit to farmers who make so little now they need help to get by would be no lasting favor to them. They need more income which must come from price times production. Mr. Benson is holding down his production now and would reduce his price. What the small farmers need is more income. The President plans to give the small farmers training so that they can go to work in town. In view of the unemployment that has been discussed here today, I just wonder where the jobs are. The President should tell us.

The best answer to the farm program is sale of commodities to the point of regaining and retaining our foreign markets. This Congress in its wisdom, in creating the Commodity Credit Corpo-

ration, provided on the one hand that it would support the price commodities, but on the other, it authorized the Department of Agriculture, the Secretary of Agriculture, I tell you, to sell these commodities in world trade, almost \$4 billion worth and all the time we pay storage. He will not do it, because he will not make the price competitive. Then, while our Government is following this policy of holding our commodities in our own hands, certainly some of it should be made available for this worthy cause, but we find that we are letting into our country many things that are putting our own people out of employment. We do not offer our commodities in trade, but we let theirs in.

We are now having a study made by the Committee on Appropriations and it is surprising the information that is coming in. So frequently foreign imports into this country are foreign only in origin. Their ownership and the money behind their production are American. And their voice and their power in United States Government councils are, to a considerable extent, responsible for many Government policies. And now this administration is constantly asking us to approve more and more loans and more and more aid which may be necessary, without thinking about why these conditions are arising at this time, when they say we are so prosperous. It is because of the things that I have pointed out here, plus others. We are holding our commodities in our own hands. We are cutting our production volume back. And with a reduced volume, multiplied by the same price, with higher costs, income is going down. And as the farmer's income goes down, so does the income of others. So down goes the sale of coal, for instance. And as we let American interests bring in foreign goods in competition with our own, we thereby put millions of Americans out of employment. So it is high time we, not only do the thing that is suggested here today, which helps relieve those in need at the moment, it is high time somebody gave attention to the basic causes behind the serious situation facing many of our people, before the conditions spread to other areas.

There are so many things that make us think now of 1929—so many, many things. Yes, stocks are high. They are going up, up, and up, because everybody is betting on the other fellow's making money. You read about all the automobiles they are manufacturing and how they are selling them. You know why? They are extending further and further the time of payment until, from the date of sale the owner's equity in the car is not equal to what the owner owes on it. Yes, they are selling houses, but they are requiring less and less downpayment, to where it is almost 100 percent gamble. If there is nothing in that to make you think of 1929, you had better go back and read your history book.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I love these boys from these farm districts. You can come down here and have a bill having to do

with the epistemological probability of teleological agnosticism, and somehow or other these farm men will get into the farm program debate.

I love my friend from Mississippi and my friend from Texas, but I want to keep the spotlight today on the fact that we are considering unemployment and the distressed economic conditions in certain areas of the United States.

The second thing I want to point out is this: Under no circumstances do I want any Member of this House to get the impression that you are doing the people of my district a favor if you pass this bill. You are not distributing largess to second-class citizens. If there is any vestigial remainder of the Bourbon philosophy left here, and I did hear a little bit of a crackling around here this afternoon for a few minutes, if you think we should eat cake in the coalfields because we have no bread, if you still want to tell me, "Après moi le déluge," let me tell you, and I repeat for the purpose of emphasis, you are not doing the unemployed in the coalfields any friendly, kind service. This is a demand we make here today. Keep that in mind. We do not come to you, Mr. Chairman, on bended knee and with our hat in our hands hoping you will do something good for us. Do not forget that. There was a slight indication of that in the early moments of this debate. Let me impress upon you indelibly that we presume it no longer exists.

Finally, let me add this: This is no isolated problem. You heard my colleagues from Pennsylvania, Illinois, Indiana, Missouri, Kentucky, Tennessee, Alabama—you heard the rollcall of the great American States—tell you that the goose does not hang high, that everybody in America is not eating high on the hog. In many cases we do not have the hog. Things are not as good, things are not as glowing as the press and certain politicians would indicate, not with millions of Americans out of work, not with people begging for food.

Many of you cannot believe that today there are hundreds of thousands of Americans who do not have enough to eat tonight for supper. You will not believe that, will you? Well, it is true—not enough to put on the table to eat, in hundreds of thousands of American homes. So do not be so sure that things are as good as has been suggested. Come to the coalfields and you will see. I have 300,000 people in my district. Twenty-five thousand men are out of work today who want jobs—25,000. If there are 4½ people to a family, as is the average, you can see what that condition is. And we yield to no district and no State—farm or otherwise—on our Americanism.

Mr. Chairman, I congratulate this committee for having done what they have done and I repeat, as I conclude, we demand this consideration—you are giving us nothing.

Mr. VORYS. Mr. Chairman, I approve of the purpose of this bill as stated in its title, "to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need

in areas of acute distress." But this bill does no such thing. We all believe that our food surpluses should get to hungry, needy people in our country rather than lie in storage and rot, and should be distributed in ways that will not interfere with normal marketing of such food. All this can be done under existing laws.

This bill sets up a Federal relief system in the Department of Health, Education, and Welfare, to be financed by that Department. We have had no such Federal relief for many years. I was here when we had such a system. After all kinds of failures, extravagances, and scandals, a vast number of laws were enacted to regulate such relief, and the vast administration needed to administer it. Nothing of the kind is provided in this bill. No standards for relief are set up. Two special groups are singled out, neither of them determined by the Department of Health, Education, and Welfare which is "directed" to furnish the relief. The Secretary of Labor certifies labor surplus areas and the governors of the States certify disaster areas. All "needy" families and persons in such areas are to receive Federal food. Needy, hungry, destitute people in other areas are ignored. No amounts or estimates of cost or limits on cost are provided.

But will this use up surpluses? According to the committee report, the bill authorizes purchase out of Health, Education, and Welfare funds of "equivalent quantities of the processed products, rather than going through the possibly more expensive procedure of arranging for the processing and packaging of grain actually in CCC warehouses." It was stated in debate, and not controverted, that purchase would in practically all cases be cheaper than processing CCC-held grain. I doubt if the Federal Government should go into the milling business to get rid of some of its surplus. I doubt if we should establish a Federal relief dole with as little consideration as this measure has received. We are setting a bad precedent.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. COOPER) having resumed the chair, Mr. WILLIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, pursuant to House Resolution 249, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment. The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 102, noes 0.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 343, nays 1, answered "present" 3, not voting 87, as follows:

[Roll No. 72]

YEAS—343

Abbutt	Corbett	Hill
Adair	Cramer	Hillings
Addonizio	Cretella	Hinshaw
Albert	Crumpacker	Hoeven
Alexander	Cunningham	Hoffman, Ill.
Alger	Curtis, Mass.	Holifield
Allen, Ill.	Dague	Holmes
Andersen,	Davidson	Holt
H. Carl	Davis, Ga.	Horan
Andresen,	Davis, Tenn.	Hosmer
August H.	Davis, Wls.	Huddleston
Andrews	Dawson, Utah	Hull
Anfuso	Deane	Hyde
Ashley	Denton	Ikard
Ashmore	Devereux	Jarman
Aspinall	Dies	Jennings
Auchincloss	Diggs	Jensen
Ayres	Dixon	Johansen
Bailey	Dollinger	Johnson, Calif.
Baker	Dondero	Johnson, Wls.
Baldwin	Donovan	Jonas
Bass, N. H.	Dorn, N. Y.	Jones, Ala.
Bass, Tenn.	Dorn, S. C.	Jones, N. C.
Bates	Dowdy	Judd
Baumhart	Doyle	Karsten
Beamer	Durham	Kean
Becker	Ellott	Kearns
Belcher	Ellsworth	Keating
Bell	Engle	Kee
Bennett, Fla.	Evins	Kelley, Pa.
Bennett, Mich.	Fascell	Kelly, N. Y.
Bentley	Feighan	Keogh
Berry	Fenton	Kilday
Blatnik	Fernandez	Kilgore
Blitch	Fine	Kling, Calif.
Boggs	Fino	King, Pa.
Boland	Fisher	Kirwan
Bolling	Flood	Klein
Bolton,	Fogarty	Kluczynski
Frances P.	Forand	Knox
Bosch	Ford	Krueger
Bow	Forrester	Laird
Boyle	Fountain	Landrum
Bray	Frazier	Lane
Brooks, La.	Frelinghuysen	Lankford
Brooks, Tex.	Friedel	Latham
Brown, Ga.	Fulton	LeCompte
Brown, Ohio	Gary	Lesinski
Brownson	Gathings	Lipscomb
Broyhill	Gavin	Long
Buchanan	Gentry	Lovre
Budge	George	McCarthy
Burdick	Gordon	McCormack
Burleson	Granahan	McCulloch
Burnside	Grant	McDonough
Bush	Gray	McDowell
Byrne, Pa.	Green, Oreg.	McGregor
Byrnes, Wis.	Gregory	McIntire
Cannon	Griffiths	McMillan
Carlyle	Gross	McVey
Carnahan	Gubser	Macdonald
Carrigg	Hagen	Machrowicz
Cederberg	Hale	Mack, Ill.
Celler	Haley	Mack, Wash.
Chase	Hand	Madden
Chatham	Harden	Magnuson
Chelf	Hardy	Mahon
Chenoweth	Harris	Mailliard
Chiperfield	Harrison, Va.	Martin
Christopher	Harvey	Matthews
Chudoff	Hays, Ark.	Meador
Church	Hayworth	Merron
Cole	Hébert	Metcalf
Cooley	Henderson	Miller, Calif.
Coon	Hess	Miller, Md.
Cooper	Hiestand	Miller, Nebr.

Mills	Reece, Tenn.	Sullivan
Minshall	Reed, Ill.	Talle
Mollohan	Rees, Kans.	Thomas
Morano	Reuss	Thompson, La.
Morgan	Rhodes, Ariz.	Thompson, Mich.
Morrison	Richards	Thompson, N. J.
Moss	Riehlman	Thomson, Wyo.
Multer	Riley	Thornberry
Murray, Ill.	Roberts	Trimble
Murray, Tenn.	Robeson, Va.	Tuck
Natcher	Rodino	Tumulty
Nicholson	Rogers, Colo.	Vanik
Norblad	Rogers, Fla.	Van Pelt
Norrell	Rogers, Tex.	Van Zandt
O'Brien, Ill.	Rooney	Velde
O'Brien, N. Y.	Roosevelt	Vinson
O'Hara, Ill.	Rutherford	Vursell
O'Hara, Minn.	Sadlak	Walter
O'Konski	Saylor	Watts
O'Neill	Schenck	Weaver
Osmer	Scherer	Westland
Ostertag	Schwengel	Wharton
Passman	Scott	Whitten
Patman	Sriner	Wickersham
Pelly	Scudder	Widnall
Perkins	Seely-Brown	Wier
Pfost	Selden	Wigglesworth
Pilcher	Sheehan	Williams, Miss.
Poage	Sheppard	Williams, N. J.
Poff	Sieminski	Williams, N. Y.
Polk	Sikes	Willis
Preston	Siler	Wilson, Calif.
Price	Simpson, Ill.	Withrow
Prlest	Simpson, Pa.	Wolverton
Prouty	Sisk	Wright
Qulgley	Smith, Kans.	Young
Rabaut	Smith, Miss.	Younger
Radwan	Springer	Zablocki
Rains	Staggers	
Ray	Steed	

NAYS—1

Marshall

ANSWERED "PRESENT"—3

Clevenger	Utt	Vorys
NOT VOTING—87		
Abernethy	Fjare	Phillips
Allen, Calif.	Flynt	Pillion
Arends	Gamble	Powell
Avery	Garmatz	Reed, N. Y.
Barden	Green, Pa.	Rhodes, Pa.
Barrett	Gwinn	Rivers
Betts	Halleck	Robison, Ky.
Bolton,	Harrison, Nebr.	Rogers, Mass.
Oliver P.	Hays, Ohio	St. George
Bonner	Herlong	Shelley
Bowler	Heselton	Short
Boykin	Hoffman, Mich.	Shuford
Buckley	Holtzman	Smith, Va.
Byrd	Hope	Smith, Wis.
Canfield	Jackson	Spence
Clark	James	Taber
Colmer	Jenkins	Taylor
Coudert	Jones, Mo.	Teague, Calif.
Curtis, Mo.	Kearney	Teague, Tex.
Dawson, Ill.	Kilburn	Thompson, Tex.
Delaney	Knutson	Tollefson
Dempsey	Lanham	Udall
Derounian	McConnell	Wainwright
Dingell	Mason	Wilson, Ind.
Dodd	Miller, N. Y.	Winstead
Dolliver	Moulder	Wolcott
Donohue	Mumma	Yates
Eberharter	Nelson	Zelenko
Edmondson	Patterson	
Fallon	Philbin	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Flynt with Mr. Short.
 Mr. Garmatz with Mr. Reed of New York.
 Mr. Fallon with Mrs. St. George.
 Mr. Shuford with Mr. Derounian.
 Mr. Lanham with Mr. Taylor.
 Mr. Colmer with Mr. Heselton.
 Mr. Bowler with Mr. Taber.
 Mr. Holtzman with Mr. Gwinn.
 Mr. Powell with Mr. Fjare.
 Mr. Zelenko with Mr. Arends.
 Mr. Moulder with Mr. Halleck.
 Mr. Dingell with Mr. Kearney.
 Mr. Dodd with Mr. Jenkins.
 Mr. Donohue with Mr. Mason.
 Mr. Rhodes of Pennsylvania with Mr. Teague of California.
 Mr. Green of Pennsylvania with Mr. James.
 Mr. Eberharter with Mr. Allen of California.
 Mr. Edmondson with Mr. Patterson.

Mr. Byrd with Mr. Hoffman of Michigan.
 Mr. Yates with Mr. Nelson.
 Mr. Winstead with Mr. Pillion.
 Mr. Shelley with Mr. Coudert.
 Mr. Rivers with Mr. Canfield.
 Mr. Hays of Ohio with Mr. McConnell.
 Mr. Herlong with Mr. Harrison of Nebraska.
 Mrs. Knutson with Mr. Wilson of Indiana.
 Mr. Buckley with Mr. Kilburn.
 Mr. Barrett with Mrs. Rogers of Massachusetts.

Mr. Clark with Mr. Dolliver.
 Mr. Delaney with Mr. Miller of New York.
 Mr. Dempsey with Mr. Betts.
 Mr. Philbin with Mr. Wolcott.
 Mr. Teague of Texas with Mr. Smith of Wisconsin.

Mr. Bonner with Mr. Gamble.
 Mr. Jones of Missouri with Mr. Jackson.

Mr. UTT changed his vote from "aye" to "present."

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress."

The doors were opened.

A motion to reconsider was laid on the table.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on H. R. 2851, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

LOWERING RETIREMENT AGE OF WOMEN FOR SOCIAL-SECURITY BENEFITS

(Mr. FINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINO. Mr. Speaker, when I first came to Congress 3 years ago, I introduced a bill which would lower the retirement age for social-security benefits to 60 years for men and 55 years for women, instead of the present limitation which uses age 65 for both.

In the last 2 years, Congress made some very important improvements in our social-security system. I voted for the extended coverage, the increased benefits, and the many liberalizations contained in the 1954 amendments. But much to my regret, no change was made in the obsolete eligibility age of 65.

During the past campaign in my district thousands upon thousands of my constituents commended me for the fight I had initiated in their behalf in the Halls of Congress. I promised them that I would continue my interest in this important legislative measure with a view to cutting the retirement age to 60 for men, 55 for women.

Shortly after this Congress convened, I reintroduced my bill on January 17. I now urge the Members of this 84th Congress to adopt my bill, H. R. 2390, which is of vital importance to millions of Americans throughout this country.

It is only because I am thoroughly convinced that the facts of our time, and

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 22, 1955
For actions of July 21, 1955
84th-1st, No. 123

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HIGHLIGHTS: House committee ordered reported sugar bill. Senate passed bill to exchange USDA and State employees. Senate received proposed legislation and bill was introduced in the House providing for increase in CCC borrowing authority. Senate committees reported bills to authorize loans to small reclamation projects, permit sales of certain CCC stocks without restriction, transfer title 3 lands to Clemson College, amend rice quota law, extend Mexican farm labor program, authorize CCC to process foods for donation, and amend tobacco allotments-quotas law.

HOUSE

1. RESERVE FORCES. Received the conference report on H. R. 7000, the reserve forces bill (H. Rept. 1335)(pp. 9601-5).
2. CONTRACTS. Agreed to the conference report on H. R. 4904, to extend the Renegotiation Act for two years (pp. 9605-6). This bill is now ready for the President.
3. MINERALS. Passed with amendments H. R. 6373, extending the Domestic Minerals Program Act to encourage the discovery, development, and production of certain domestic minerals (pp. 9610, 9619-29). The amendments agreed to related to the production of manganese and the establishment of a purchasing depot.
4. GOVERNMENT SECURITY. Conferees were appointed on H. J. Res. 157, to establish a Commission on Government Security (p. 9630). Senate conferees have been appointed.
5. FARM TRAINING. The Rules Committee reported a resolution for consideration of H. R. 4006, to amend the Veterans' Readjustment Assistance Act of 1952 to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training (p. 9649).

6. SUGAR. The Agriculture Committee ordered reported by a vote of 24 to 7, with amendments, H. R. 7030, to amend and extend the Sugar Act of 1948 (p. D755).
7. PRINTING. The House Administration Committee reported without amendment H. Res. 272, providing \$65,000 for a study and investigation of Federal printing and binding (H. Rept. 1312)(p. 9649).
8. RECLAMATION; ELECTRIFICATION. The Rules Committee reported a resolution for consideration of H. R. 3383, authorizing the Colorado River storage project (p. 9649).
9. FABRICS; RESEARCH. The Rules Committee reported a resolution providing for consideration of H. R. 5222, amending the Flammable Fabrics Act to exempt scarves which do not present an unusual hazard from its provisions (p. 9649).
10. ROADS. The Public Works Committee reported without amendment H. R. 7474, providing for a Federal-aid highway construction program (H. Rept. 1336)(p. 9649).
11. DEFENSE PRODUCTION. The Banking and Currency Committee reported without amendment H. R. 7470, to amend and extend the Defense Production Act of 1950 (H. Rept. 1343)(p. 9649).
12. FOREIGN TRADE; SURPLUS COMMODITIES. Rep. Allen, Calif., urged consideration of the use of the idle ships in the American merchant marine as storage for surplus grains and to continue the Cargo Preference provisions (pp. 9645-6).
13. LEGISLATIVE PROGRAM. The Majority Leader scheduled consideration on Mon., July 25, of the conference report on H. R. 7000, the reserve forces bill, and consideration of the following bills on Tues., July 26, through Sat., July 30 was scheduled providing rules are received; H. R. 3383, the Upper Colorado Storage project; S. 2127, the Small Business Administration bill; H. R. 7470, extension of the Defense Production Act; S. 2126, the housing bill; and H. R. 7474, the Federal-aid highway construction bill (pp. 9629-30).
14. ADJOURNED until Mon., July 25 (p. 9648).

SENATE

15. CCC STOCKS; LANDS; RICE; FARM LABOR; TOBACCO. The Agriculture and Forestry Committee reported during adjournment on July 20, with amendment S. 1621, authorizing adjustment of certain obligations of farm settlers (S. Rept. 1042); S. 2297, national marketing quota for tobacco (S. Rept. 1043); S. 2170, to permit sale of CCC stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form (S. Rept. 1047); and H. R. 4280, to transfer certain title 3 lands to Clemson College (S. Rept. 1048); and with amendment H. R. 3822, to extend the Mexican farm labor program (S. Rept. 1045); S. 661, to authorize CCC to process food commodities for donation under certain acts (S. Rept. 1049); and S. 2295 and S. 2296, to amend section 313 of the Agricultural Adjustment Act of 1938, with respect to tobacco allotments (S. Repts. 1044 and 1046)(p. 9567).
16. EXCHANGE OF EMPLOYEES. Passed without amendment S. 1915, to provide for interchange of employees by this Department and State and local governments (pp. 9591-2). The bill had been reported without amendment during adjournment on July 20 (S. Rept. 1041)(p. 9567). Sen. Clements stated that "Senate bill

MEAL AND FLOUR FOR RELIEF

JULY 20, 1955.—Filed under authority of the order of the Senate of July 20, 1955,
with amendments, and ordered to be printed

Mr. HOLLAND, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 661]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 661) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having considered the same, report thereon with a recommendation that the bill do pass with amendments.

This bill was introduced by Senator Clements for himself and a number of other Senators to permit the Commodity Credit Corporation to pay the cost of processing food commodities distributed by it under sections 407 and 416 of the Agricultural Act of 1949. Its principal purpose is to permit the distribution of wheat flour and cornmeal to needy families. Since S. 661, as introduced, is somewhat broader than necessary to accomplish this purpose, your committee recommends an amendment in the nature of a substitute, which provides for the use of not more than \$15 million of section 32 funds in each of the 2 fiscal years during the period ending June 30, 1957, for the distribution of flour and meal to needy persons. The committee substitute for the text of the bill and the committee amendment to the title of the bill are fully explained in the attached report of the subcommittee which held hearings and considered this bill.

REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND
FORESTRY ON H. R. 2851

Your subcommittee to whom was referred the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress, having considered the same report thereon with the recommendation that it pass with an amendment to the text of the bill and an amendment to the title of the bill.

The subcommittee amendment, which is in the nature of a substitute, would strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of Agriculture is hereby authorized upon specific request of the Governor of any State during the period commencing with the date of this Act and ending June 30, 1957, to make available, pursuant to clause (2) of section 32 of the Act approved August 24, 1935 (7 U. S. C. 612c), for distribution by State agencies, other than institutions and schools, directly to families and persons determined by appropriate State or local public welfare agencies to be in need, wheat flour and cornmeal in such quantities as the Secretary of Agriculture determines can be effectively distributed and utilized within such period without regard to the requirement contained in said section 32, that such funds be devoted principally to perishable nonbasic agricultural commodities and their products, but not more than \$15,000,000 of such funds shall be devoted in any fiscal year to carrying out this Act. Such flour and meal shall be made available by the Secretary upon such conditions as he deems to be in the public interest, to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary, and at one or more central locations in such State."

The subcommittee held hearings on S. 661, a bill similar in purpose to H. R. 2851, and those hearings are available in printed form. The testimony showed extensive unemployment in the coal-mining areas and a great need in those areas for flour and meal, as well as for the commodities now being distributed by the Department of Agriculture under section 416 of the Agricultural Act of 1949. Neither flour nor meal can be distributed under that section or under section 407 of that act because those sections do not permit the Commodity Credit Corporation to pay the cost of processing the corn and wheat held by it into meal and flour.

The Department of Agriculture did not favor the bill as a surplus disposal operation, stating that the distribution provided for by it would be more in the nature of a relief program, which was not within their province. The subcommittee felt that the program was well justified as a relief program, and should be undertaken on that basis for a trial period.

H. R. 2851 had been reported by the House Committee on Agriculture just prior to the subcommittee's hearing and was discussed by some of the witnesses. Witnesses for both the Department of Health, Education, and Welfare and the Department of Agriculture expressed opposition to H. R. 2851 on the ground that it would provide for two different systems of distributing agricultural commodities for relief purposes, and create administrative difficulties. The Department of Agriculture is now distributing surplus agricultural commodities and has developed a distribution system for that purpose which should be equally effective for the distribution of meal and flour. The subcommittee felt that the existing system should be used to distribute these additional commodities and that there is no need to bring an additional agency into its administration. In addition the subcommittee has been advised that the criteria in section 2 of H. R. 2851, as passed by the House, with respect to labor shortage and disaster areas, might prevent assistance being rendered under the bill in the small coal-mining towns and other areas which are in such great need.

The subcommittee substitute provides for the use of not more than \$15 million of section 32 funds (7 U. S. C. 612c) in any fiscal year for the distribution of cornmeal and wheat flour to needy persons during the period ending June 30, 1957. Distribution in any State would be made upon request of the Governor and would be made through State agencies, other than institutions and schools.

The use of section 32 funds under the bill would be exempt from the requirement of that section that such funds be devoted principally to perishable nonbasic agricultural commodities. Out of \$448,860,295 available under section 32 for the fiscal year ending June 30, 1955, it is estimated that only \$38,205,815 was expended, leaving \$300 million to be carried over for use in fiscal 1956 (in addition to the amount appropriated for 1956) and \$110,654,480 to be covered into the Treasury as miscellaneous receipts. Of the amount expended in 1955 it is estimated that 51.8 percent was devoted to perishables not entitled to mandatory price support. The use of \$15 million a year for the purposes of the bill during the period ending June 30, 1957, in addition to the other amounts which might be spent for nonperishables during that period, therefore would not interfere with requirements for the use of section 32 funds for perishable commodities.

The subcommittee recommends that the title be amended so as to read: "An Act to make cornmeal and wheat flour available to needy persons." This would make it conform to the subcommittee's substitute for the text of the bill.

The report of the Department of Agriculture on S. 661 and the provisions of section 32 of the act of August 24, 1935, are set out below.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., March 29, 1955.

HON. ALLEN J. ELLENDER,
*Chairman, Committee on Agriculture and Forestry,
United States Senate.*

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 661, a bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The Department does not favor passage of S. 661.

S. 661 would authorize the Commodity Credit Corporation to pay the cost of processing food commodities into a form suitable for home or institutional use in connection with donations to domestic recipients of price support commodities made under the authority of sections 407 and 416 of the Agricultural Act of 1949. By providing authority to pay processing costs, S. 661 would permit the donation of wheat and corn, in the form of flour and meal, respectively, to eligible domestic recipients.

The domestic distribution of wheat flour and cornmeal cannot be justified on the basis of the need for surplus disposal operations. Such distribution would be more in the nature of a welfare or a relief program, which is not a direct responsibility of this Department.

Wheat and corn are storable commodities and, with stock rotation, there presently is not a danger of substantial loss or waste of CCC-owned stocks. From the standpoint of inventory management, particularly since stocks of wheat and corn can be considered a reserve for strategic purposes, the Department's first responsibility is to secure all possible sales.

Moreover, as a possible surplus disposal operation, the domestic distribution of wheat flour and cornmeal would have limited impact. The amounts so moved would be small in relation to the size of present holdings. The additional costs to CCC (including administrative costs) would outweigh any probable increase in domestic consumption of wheat and corn or any possible net reduction in the level of Government stocks.

Because of the widespread use of cereal products, we also believe that it would be difficult to avoid significant interference with normal marketings of wheat flour and cornmeal, particularly in the case of schools and institutions. Even among needy persons and families, because of their relatively high consumption of cereal products, we would anticipate that a donation program would result in only a small overall increase in the use of cereal products.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

SECTION 32 OF THE ACT OF AUGUST 24, 1935

SEC. 32. There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 per centum of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low-income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.

The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section. Notwithstanding any other provision of this section, the amount that may be devoted, during any fiscal year after June 30, 1939, to any one agricultural commodity or the products thereof in such fiscal year, shall not exceed 25 per centum of the funds available under this section for such fiscal year. The sums appropriated under this section shall be devoted principally to perishable nonbasic agricultural commodities (other than those receiving price support under title II of the Agricultural Act of 1949) and their products. The sums appropriated under this section shall, notwithstanding the provisions any other law, continue to remain available for the purposes of this section until expended, but any excess of the amount remaining unexpended at the end of any fiscal year over \$300,000,000 shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (U. S. C., title 31, sec. 712), and section 5 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June thirtieth, eighteen hundred and seventy-five and for other purpose" (U. S. C., title 31, sec. 713) (7 U. S. C. 612 (c)).



Calendar No. 1062

84TH CONGRESS
1ST SESSION

S. 661

[Report No. 1049]

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1955

Mr. CLEMENTS (for himself, Mr. BARKLEY, Mr. DUFF, Mr. MARTIN of Pennsylvania, Mr. NEELY, Mr. KILGORE, Mr. HENNING, Mr. SYMINGTON, Mr. HILL, Mr. CAPEHART, Mr. DOUGLAS, Mr. JOHNSTON of South Carolina, and Mr. DIRKSEN) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

JULY 20, 1955

Reported, under authority of the order of the Senate of July 20, 1955, by Mr. HOLLAND, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the next to the last sentence of section 407 of the
4 Agricultural Act of 1949, as amended, is amended to read
5 as follows: "~~Except on a reimbursable basis, the Corpora-~~
6 tion shall not bear any costs in connection with making such
7 commodity available beyond the cost of the commodity to
8 the Corporation in store, the cost of processing it into a
9 form suitable for home or institutional use if it is a food

1 commodity, and the handling and transportation costs in
2 making delivery of the commodity to designated agencies
3 at one or more central locations in each State, such process-
4 ing to be accomplished through private trade facilities to the
5 greatest extent possible."

6 SEC. 2. Section 416 of the Agricultural Act of 1949,
7 as amended, is amended by inserting before the last sentence
8 thereof a new sentence as follows: "In addition, in the case
9 of food commodities disposed of under this section for use
10 within the United States, the Commodity Credit Corporation
11 may pay the cost of processing such commodities into a
12 form suitable for home or institutional use, such processing
13 to be accomplished through private trade facilities to the
14 greatest extent possible."

15 *That the Secretary of Agriculture is hereby authorized*
16 *upon specific request of the Governor of any State during*
17 *the period commencing with the date of this Act and ending*
18 *June 30, 1957, to make available, pursuant to clause (2)*
19 *of section 32 of the Act approved August 24, 1935 (7*
20 *U. S. C. 612c) for distribution by State agencies, other than*
21 *institutions and schools, directly to families and persons de-*
22 *termined by appropriate State or local public welfare agen-*
23 *cies to be in need, wheat flour and corn meal in such quan-*
24 *tities as the Secretary of Agriculture determines can be effec-*
25 *tively distributed and utilized within such period without*

1 regard to the requirement contained in said section 32, that
2 such funds be devoted principally to perishable nonbasic agri-
3 cultural commodities and their products, but not more than
4 \$15,000,000 of such funds shall be devoted in any fiscal year
5 to carrying out this Act. Such flour and meal shall be made
6 available by the Secretary upon such conditions as he deems
7 to be in the public interest, to such State agency or agencies
8 as may be designated by the proper State authority and
9 approved by the Secretary, and at one or more central loca-
10 tions in such State.

Amend the title so as to read: "A bill to make corn meal
and wheat flour available to needy persons."

A BILL

To authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

By Mr. CLEMENTS, Mr. BARKLEY, Mr. DUFF, Mr. MARTIN of Pennsylvania, Mr. NEELY, Mr. KILGORE, Mr. HENNING, Mr. SYMINGTON, Mr. HUTL, Mr. CARPENT, Mr. DOUGLAS, Mr. JOHNSTON of South Carolina, and Mr. DIRKSEN

JANUARY 21, 1955

Read twice and referred to the Committee on
Agriculture and Forestry

JULY 20, 1955

Reported with amendments

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HIGHLIGHTS: Senate committee reported bill to amend rice quota law. Senate passed bills to: provide mutual security appropriations; extend Mexican farm labor program; amend tobacco allotments-quotas law; authorize CCC to process foods for donation; transfer title 3 lands to Clemson College; and permit sales of certain CCC stocks without restriction. Sen. Ellender introduced bill to increase CCC borrowing authority.

SENATE

1. FOREIGN AID. Passed, 62 to 22, with amendments H. R. 7224, the mutual security appropriation bill for 1956 (pp. 9684, 9687-9714, 9717-51). Senate conferees were appointed (p. 9751). Rejected an Ellender amendment to reduce by \$5.5 million the amount available to Spain which shall be used for agricultural commodities (p. 9729).
2. RICE. The Agriculture and Forestry Committee reported without amendment S. 2573, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, to provide that "in States where farm rice acreage allotments are established on a producer basis only the past plantings of rice by the producer within the State and acreage allotments previously established in the State for the producers would be used in determining such allotments" (S. Rept. 1093)(p. 9653).
3. LANDS. Passed without amendment H. R. 605, to provide for the abolition of the 80-foot reserved space between claims on shore waters in Alaska (p. 9672). This bill will now be sent to the President.

Passed without amendment H. R. 4280, to transfer certain title 3 lands to Clemson College, S. C., so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands (pp. 9684-5). This bill will now be sent to the President.

4. FARM LABOR. Passed as reported H. R. 3822, to extend the Mexican farm labor/^{program} for $1\frac{1}{2}$ years (p. 9676).
5. EDUCATION; VETERANS' BENEFITS. Passed without amendment S. 2081, to provide that education and training allowances paid to veterans pursuing institutional on-farm training shall not be reduced for 12 months after they have begun their training (p. 9672).
6. RECLAMATION. Passed as reported S. 1534, to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects (p. 9672).
7. PRICE SUPPORT. Agreed to S. Res 123, increasing by 20,000 the funds available to the Agriculture and Forestry Committee for a study of price supports (p. 9673).
8. TOBACCO. Passed without amendment S. 2297, providing for the Secretary of Agriculture to proclaim a national marketing quota for tobacco (p. 9676).
Passed as reported S. 2296, providing for the exemption from marketing quotas of certain farms not producing tobacco for which an allotment had been made (p. 9676).
Passed as reported S. 2295, providing for the establishment of burley tobacco acreage allotments for farms retired from tobacco production (p. 9676).
9. COMMODITY CREDIT CORPORATION. Passed with amendment H. R. 2851, to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress. The amendment to H. R. 2851 consisted of the insertion of the text of S. 661 for that of the House bill, and then S. 661 was indefinitely postponed (pp. 9677, 9679-84).
Passed without amendment S. 2170, to permit sale of CCC stocks of basic and storable nonbasic agricultural commodities without restriction where similar commodities are exported in raw or processed form (p. 9685).
10. TEXTILES. Sen. Thurmond inserted a letter, containing the signatures of 1,017 residents of Whitmire, S. C., stating that the reduction of tariffs on imported textile products has had a disastrous effect on the American textile industry (pp. 9657-8).
Sen. Johnston cited the increased textile imports from Japan and said these imports are having an adverse effect on the domestic textile industry (pp. 9686-7).
11. LANDS. Passed without amendment S. 1621, authorizing adjustment of certain obligations of farm settlers (p. 9676). The bill would authorize the Secretary of Agriculture to: (1) Extend to projects developed under the authorities of the Act of August 11, 1939, commonly known as the Wheeler-Case Act, the provisions of certain sections of the Bankhead-Jones Farm Tenant Act, as amended, to release debtors of liability under certain conditions; and (2) authorize the Secretary of Agriculture to make adjustments in the terms, conditions and amounts of obligations incurred in connection with the development or operation of a project unit, or in the price at which units on such proj-

Mr. PURTELL. I ask that the bill go over, for further study.

The PRESIDING OFFICER. The bill will be passed over.

BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 4280) to direct the Secretary of Agriculture to release on behalf of the United States conditions in 2 deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ERVIN. Mr. President, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

DONATION TO DISTRESSED COMMUNITIES OF PROCESSED FOOD COMMODITIES.

The bill (S. 661) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts was announced as next in order.

Mr. PURTELL. Mr. President, I have no objection to the bill itself. However, I feel that it is of some moment, and it should not be passed on the call of the calendar. Therefore I suggest that it go over.

Mr. HOLLAND. Mr. President, will the Senator withhold his objection, so that I may make a brief statement?

Mr. PURTELL. I withhold my objection.

Mr. HOLLAND. Mr. President, I have discussed the measure with the Senator from Connecticut, with the two floor leaders, and with the Senator from Delaware, who has an amendment at the desk.

I have no objection at all to the bill going over, provided that it may be called up on motion as soon as the call of the calendar is concluded. The reason I believe quick action should be taken is that the bill has been approved by the Committee on Agriculture and Forestry, and, if approved by the Senate, will require a conference with the House. The subject is of such importance that I feel we should not jeopardize the passage of the bill at this session of Congress by holding it up further.

I hope the Senator from Connecticut will agree to support a motion to take it up as soon as the call of the calendar is concluded.

Mr. PURTELL. I wish to assure the distinguished Senator from Florida that I am in sympathy with the purpose of the bill, and I shall not object to taking it up if it is brought up on motion.

Mr. HOLLAND. I thank the distinguished Senator.

The PRESIDING OFFICER. The bill will go over.

BILL PASSED OVER

The bill (H. R. 6382) to amend the International Claims Settlement Act of 1949, as amended, and for other purposes, was announced as next in order.

Mr. PURTELL. Mr. President, I ask that that bill be passed over for further study.

The PRESIDING OFFICER. The bill will be passed over.

PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE

The bill (S. 2346) to establish a permanent committee for the Oliver Wendell Holmes Devise, and for other purposes, was announced as next in order.

Mr. BIBLE. Mr. President, at this point in the call of the calendar I ask unanimous consent that the call be terminated as to the remainder of the calendar, for the reason that reports on the measures following are not available.

BURGAL LYDEN AND OTHERS

Mr. KILGORE. Mr. President, will the Senator from Nevada yield?

Mr. BIBLE. I yield.

Mr. KILGORE. There are two measures which I hope may be excluded from the Senator's request. One is Calendar No. 1070, H. R. 4044, for the relief of Burgal Lyden and others. It is a private claims bill which was reported by the Judiciary Committee. We are being hammered on all sides because of the backlog of bills in the committee.

Mr. BIBLE. Mr. President, if the minority leader has no objection, I wonder if we may have an explanation of the bill to which the Senator from West Virginia has referred.

Mr. KILGORE. Mr. President, this bill proposes to pay to 4 persons an aggregate of about \$2,500 in settlement of their claims against the United States which arose as a result of the construction of the Harlan County Dam and Reservoir project in the vicinity of Naponee, Nebr.

The construction of the dam required the relocation of a spur track of the Chicago, Burlington & Quincy Railroad, and the construction of an embankment about 20 feet in height on which to place the tracks.

As a result of this construction and the relocation, the claimants suffered damage with respect to drainage hazards and an obstruction of view, which could not be compensated for through condemnation proceedings. The amounts stated in the bill represent the depreciation in the market values of their properties by reason of the relocation and construction, and have been found to be reasonable by the Department of the Army and the Bureau of the Budget, both of whom approve the bill.

Mr. BIBLE. I thank the Senator for his explanation.

Mr. PURTELL. Mr. President, am I correct in my understanding that a Senate bill was passed in substantially the same form at a previous session?

Mr. KILGORE. That is correct, but it did not get to the House in time for passage there.

Mr. KNOWLAND. Mr. President, I have no objection to the bill being considered.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 4044) for the relief of Burgal Lyden and others.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

INCREASE IN LIMIT OF EXPENDITURE BY THE COMMITTEE ON THE JUDICIARY—RESOLUTION REFERRED TO COMMITTEE ON RULES AND ADMINISTRATION

Mr. KILGORE. Mr. President, what I am about to say is not with reference to the passage of a bill. It involves the permission of the Senate to refer to a resolution providing some additional funds for further study of the narcotics situation to the Committee on Rules and Administration.

At the time a request for funds was made it was for only \$30,000. The junior Senator from Texas [Mr. DANIEL], chairman of the subcommittee, said he was going to see how far he could go with that amount, but it has become apparent that additional funds will be needed. The resolution should be referred to the Committee on Rules and Administration in order to get a report at this session. I entertain the hope that the Senate will accede to referring the resolution to the Committee on Rules and Administration. It is Calendar No. 1079, Senate Resolution 137, increasing the limit of expenditure by the Committee on the Judiciary.

Mr. BIBLE. Mr. President, we have no objection to the reference of Calendar No. 1079, Senate Resolution 137, to the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, the resolution will be referred to the Committee on Rules and Administration.

CONVEYANCE OF CERTAIN LAND TO THE CITY OF SIOUX FALLS, S. DAK.

Mr. CASE of South Dakota. Mr. President, earlier in the call of the calendar Senate bill 2277, Calendar No. 1027, was sent to the foot of the calendar. I state for the information of the Senate that the Senator from Oregon [Mr. MORSE] has been contacted, and he has prepared an amendment which has been handed to me. I ask for consideration of that amendment.

The PRESIDING OFFICER. The Chair is advised that there is one bill ahead of the measure referred to by the Senator which was placed at the foot of the calendar. Will the Senator from South Dakota withhold his request until action is taken on that bill?

Mr. CASE of South Dakota. I shall be glad to do so, Mr. President.

REVERSIONARY INTERESTS OF THE UNITED STATES IN CERTAIN LANDS IN THE CITY OF CHANDLER, OKLA.

The bill (H. R. 4747) to provide that reversionary interests of the United States in certain lands formerly conveyed to the city of Chandler, Okla., shall be quitclaimed to such city, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ERVIN. Mr. President, I ask that the bill be passed over.

Mr. LONG. Mr. President, will the Senator from North Carolina withhold his objection until I can explain the bill?

Mr. ERVIN. I shall be glad to do so.

Mr. LONG. Mr. President, the bill involves a piece of property in Chandler, Okla., which was conveyed to the Government. Subsequently, the Armed Forces had no use for the property, and it was returned to the city of Chandler. The property was used for public purposes, and various civic organizations participated in the development of the property. It seems to be thought that the Government would be made to pay something, but the city is willing to pay \$3,000 to extinguish the reversionary interest. I see no reason why there should be any objection.

The city of Chandler is willing to pay \$3,000. As a matter of fact, I do not think they should have to pay anything. But they are paying the full market value.

Mr. ERVIN. Mr. President, I renew my objection.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE OF CERTAIN LAND TO THE CITY OF SIOUX FALLS, S. DAK.

The Senate proceeded to consider the bill (S. 2277) authorizing the Administrator of General Services to convey certain land to the city of Sioux Falls, S. Dak., for park and recreational purposes, for an amount equal to the cost to the United States of acquiring such land from the city, which had been reported from the Committee on Government Operations, with amendments, on page 1, line 5, after the word "Dakota", to strike out "for park and recreational purposes," and on page 2, after line 9, to strike out "contain the express provision that, in the event the land conveyed ceases to be used for park or recreational purposes" and insert "contain the express provisions that the land conveyed shall be used for park and recreational purposes in a manner which, in the judgment of the Administrator of Veterans' Affairs or his designate, will not interfere with the care and treatment of patients in the Veterans' Administration hospital, Sioux Falls, S. Dak., and that, in the event the land conveyed ceases to be so used," so as to make the bill read:

Be it enacted, etc., That the Administrator of General Services is authorized and directed to convey by quitclaim deed to the city of Sioux Falls, S. Dak., all right, title, and in-

terest of the United States in and to the following-described land located in Minnehaha County, S. Dak., consisting of approximately 20 acres: The east half of the southeast quarter of the southeast quarter of section 19 in township 101, range 49 west, fifth principal meridian. As consideration for such conveyance the city of Sioux Falls, S. Dak., shall pay an amount, determined by the Administrator of General Services, equal to the cost to the United States of acquiring such land from the city of Sioux Falls, S. Dak.

SEC. 2. The conveyance authorized by this act shall contain the express provisions that the land conveyed shall be used for park and recreational purposes in a manner which, in the judgment of the Administrator of Veterans' Affairs or his designate, will not interfere with the care and treatment of patients in the Veterans' Administration hospital, Sioux Falls, S. Dak., and that, in the event the land conveyed ceases to be so used, all right, title, and interest therein shall immediately revert to and revest in the United States. In the event of a reversion of such land to the United States, the fair market rental value of such land for the period it is held by the city of Sioux Falls, S. Dak., shall be deducted from the purchase price paid by such city and the balance, if any, shall be repaid to such city.

The amendments were agreed to.

Mr. CASE of South Dakota. Mr. President, on behalf of the Senator from Oregon [Mr. MORSE] I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota on behalf of the Senator from Oregon will be stated.

The CHIEF CLERK. On page 1, line 6, after the word "interest" it is proposed to insert a comma and the words "except mineral rights (including oil and gas)."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota on behalf of the Senator from Oregon.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MORSE subsequently said: Mr. President, this morning, when the calendar was called, I was examining witnesses in a committee hearing; therefore there was on my behalf entered an objection to Calendar No. 1027, Senate bill 2277, in order that I might obtain a satisfactory explanation from the authors of the bill.

It was possible for me to consult over the telephone with the junior Senator from South Dakota [Mr. CASE], who was then on the floor of the Senate, and I received from him in my conversation a satisfactory explanation of the bill, so far as the Morse formula is concerned.

The bill proposes to authorize the General Services Administration to convey approximately 20 acres of land to the city of Sioux Falls, S. Dak., for park and recreational purposes.

The lands are a portion of a larger tract acquired in 1944 from the city for use by the Veterans' Administration hospital.

The Veterans' Administration has determined that the tract is in excess of its present and foreseeable needs.

The consideration for the transfer is payment by the city of "an amount determined by the Administrator of General Services equal to the cost to the United States of acquiring such land from the city of Sioux Falls, S. Dak."

I wish to make it very clear that this provision in the bill assured the Federal Government of some compensation for the land; but the difficulty, when I first read the bill, was that there was no indication of what the amount of compensation would be, and whether it would amount, in fact, to 50 percent of the appraised fair market value.

As a result of my consultation with the junior Senator from South Dakota [Mr. CASE], and as the RECORD will show tomorrow, his remarks on the floor of the Senate make it very clear that the increase in value of the property since the Federal Government has owned it has been due largely to sidewalk and similar public-utility improvements which have been placed on the land. Of course, those improvements will stand for the enjoyment and benefit of the veterans who will have the benefit of the land when it is turned into park purposes.

However, the bill contained no mineral reservation and, therefore, in that respect it was in violation of the Morse formula.

I was very much pleased when the Senator from South Dakota accepted my standard amendment, requiring the reservation of mineral rights in such land transfers.

With that acceptance, and in view of the fact that the Government will receive the amount of original cost to the Federal Government, as determined by the Administrator of General Services, I withdraw my objection.

CONVEYANCE OF CERTAIN SUB-MARGINAL LANDS TO CLEMSON AGRICULTURAL COLLEGE OF SOUTH CAROLINA

The bill (H. R. 4280) to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands was announced as next in order.

Mr. JOHNSTON of South Carolina. Mr. President, I may say that all the Members of the House from South Carolina and both Senators from South Carolina sponsor this bill. They agree that the bill should be passed in its present form.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. PURTELL. Mr. President, I am not out of sympathy with the purposes of the bill, but as a matter of principle, because it is too important a measure to be passed on a Consent Calendar call, I object, and ask that the bill be passed over to the next call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BIBLE. Mr. President, I renew my motion that the call of the calendar be terminated with Calendar No. 1063, which has already been passed over.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

ORDER OF BUSINESS

Mr. BIBLE. Mr. President, I ask unanimous consent that the Senate temporarily lay aside the pending business and proceed to the consideration of Calendar No. 1040, H. R. 7224, making appropriations for mutual security for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The Chair will advise that House Bill 7224 is the unfinished business, and will not come before the Senate until 12:30 o'clock.

DONATION TO DISTRESSED COMMUNITIES OF PROCESSED FOOD COMMODITIES

Mr. BIBLE. In view of the statement of the Presiding Officer I ask that the Senate proceed to the consideration of Calendar No. 1062, Senate bill 661.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 661) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. HOLLAND. Mr. President—

Mr. KNOWLAND. Mr. President, I wonder if the Senator from Florida will yield, with the understanding that he shall not lose his right to the floor?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 661), which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That the Secretary of Agriculture is hereby authorized upon specific request of the governor of any State during the period commencing with the date of this act and ending June 30, 1957, to make available, pursuant to clause (2) of section 32 of the act approved August 24, 1935 (7 U. S. C. 612c) for distribution by State agencies, other than institutions and schools, directly to families and persons determined by appropriate State or local public welfare agencies to be in need, wheat flour and cornmeal in such quantities as the Secretary of Agriculture determines can be effectively distributed and utilized within such period without regard to the requirement contained in said section 32, that such funds be devoted principally to perishable nonbasic agricultural commodities

ties and their products, but not more than \$15 million of such funds shall be devoted in any fiscal year to carrying out this act. Such flour and meal shall be made available by the Secretary upon such conditions as he deems to be in the public interest, to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary, and at one or more central locations in such State.

Mr. HOLLAND. Mr. President, in order that the RECORD may reflect clearly what was done in committee, I request that the report of the Senate Committee on Agriculture and Forestry, which includes the report of the subcommittee, be printed in full at this point in my remarks.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

The report (No. 1049) is as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 661) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having considered the same, report thereon with a recommendation that the bill do pass with amendments.

This bill was introduced by Senator CLEMENTS for himself and a number of other Senators to permit the Commodity Credit Corporation to pay the cost of processing food commodities distributed by it under sections 407 and 416 of the Agricultural Act of 1949. Its principal purpose is to permit the distribution of wheat flour and cornmeal to needy families. Since S. 661, as introduced, is somewhat broader than necessary to accomplish this purpose, your committee recommends an amendment in the nature of a substitute, which provides for the use of not more than \$15 million of section 32 funds in each of the 2 fiscal years during the period ending June 30, 1957, for the distribution of flour and meal to needy persons. The committee substitute for the text of the bill and the committee amendment to the title of the bill are fully explained in the attached report of the subcommittee which held hearings and considered this bill.

"REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY ON H. R. 2851

"Your subcommittee to whom was referred the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress, having considered the same report thereon with the recommendation that it pass with an amendment to the text of the bill and an amendment to the title of the bill.

"The subcommittee amendment, which is in the nature of a substitute, would strike out all after the enacting clause and insert in lieu thereof the following: 'That the Secretary of Agriculture is hereby authorized upon specific request of the governor of any State during the period commencing with the date of this act and ending June 30, 1957, to make available, pursuant to clause (2) of section 32 of the act approved August 24, 1935 (7 U. S. C. 612c), for distribution by State agencies, other than institutions and schools, directly to families and persons determined by appropriate State or local public welfare agencies to be in need, wheat flour and cornmeal in such quantities as the Secretary of Agriculture determines can be effectively distributed and utilized within such period without regard to the requirement contained in said section 32, that such funds be devoted principally to perishable nonbasic agricultural commodities and their products, but not more than \$15 million of

such funds shall be devoted in any fiscal year to carrying out this act. Such flour and meal shall be made available by the Secretary upon such conditions as he deems to be in the public interest, to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary, and at one or more central locations in such State.'

"The subcommittee held hearings on S. 661, a bill similar in purpose to H. R. 2851, and those hearings are available in printed form. The testimony showed extensive unemployment in the coal-mining areas and a great need in those areas for flour and meal, as well as for the commodities now being distributed by the Department of Agriculture under section 416 of the Agricultural Act of 1949. Neither flour nor meal can be distributed under that section or under section 407 of that act because those sections do not permit the Commodity Credit Corporation to pay the cost of processing the corn and wheat held by it into meal and flour.

"The Department of Agriculture did not favor the bill as a surplus disposal operation, stating that the distribution provided for by it would be more in the nature of a relief program, which was not within their province. The subcommittee felt that the program was well justified as a relief program, and should be undertaken on that basis for a trial period.

"H. R. 2851 had been reported by the House Committee on Agriculture just prior to the subcommittee's hearing and was discussed by some of the witnesses. Witnesses for both the Department of Health, Education, and Welfare and the Department of Agriculture expressed opposition to H. R. 2851 on the ground that it would provide for two different systems of distributing agricultural commodities for relief purposes, and create administrative difficulties. The Department of Agriculture is now distributing surplus agricultural commodities and has developed a distribution system for that purpose which should be equally effective for the distribution of meal and flour. The subcommittee felt that the existing system should be used to distribute these additional commodities and that there is no need to bring an additional agency into its administration. In addition the subcommittee has been advised that the criteria in section 2 of H. R. 2851, as passed by the House, with respect to labor shortage and disaster areas, might prevent assistance being rendered under the bill in the small coal-mining towns and other areas which are in such great need.

"The subcommittee substitute provides for the use of not more than \$15 million of section 32 funds (7 U. S. C. 612c) in any fiscal year for the distribution of cornmeal and wheat flour to needy persons during the period ending June 30, 1957. Distribution in any State would be made upon request of the governor and would be made through State agencies, other than institutions and schools.

"The use of section 32 funds under the bill would be exempt from the requirement of that section that such funds be devoted principally to perishable nonbasic agricultural commodities. Out of \$448,860,295 available under section 32 for the fiscal year ending June 30, 1955, it is estimated that only \$38,205,815 was expended, leaving \$300 million to be carried over for use in fiscal 1956 (in addition to the amount appropriated for 1956) and \$110,654,480 to be covered into the Treasury as miscellaneous receipts. Of the amount expended in 1955 it is estimated that 51.8 percent was devoted to perishables not entitled to mandatory price support. The use of \$15 million a year for the purposes of the bill during the period ending June 30, 1957, in addition to the other amounts which might be spent for nonperishables during that period, therefore, would not interfere

with requirements for the use of section 32 funds for perishable commodities.

"The subcommittee recommends that the title be amended so as to read: 'An act to make cornmeal and wheat flour available to needy persons.' This would make it conform to the subcommittee's substitute for the text of the bill.

"The report of the Department of Agriculture on S. 661 and the provisions of section 32 of the act of August 24, 1935, are set out below."

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 29, 1955.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture
and Forestry,
United States Senate.

DEAR SENATOR ELLENDER: This is in reply to your request for a report on S. 661, a bill to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The Department does not favor passage of S. 661.

S. 661 would authorize the Commodity Credit Corporation to pay the cost of processing food commodities into a form suitable for home or institutional use in connection with donations to domestic recipients of price support commodities made under the authority of sections 407 and 416 of the Agricultural Act of 1949. By providing authority to pay processing costs, S. 661 would permit the donation of wheat and corn, in the form of flour and meal, respectively, to eligible domestic recipients.

The domestic distribution of wheat flour and cornmeal cannot be justified on the basis of the need for surplus disposal operations. Such distribution would be more in the nature of a welfare or a relief program, which is not a direct responsibility of this Department.

Wheat and corn are storable commodities and, with stock rotation, there presently is not a danger of substantial loss or waste of CCC-owned stocks. From the standpoint of inventory management, particularly since stocks of wheat and corn can be considered a reserve for strategic purposes, the Department's first responsibility is to secure all possible sales.

Moreover, as a possible surplus disposal operation, the domestic distribution of wheat flour and cornmeal would have limited impact. The amounts so moved would be small in relation to the size of present holdings. The additional costs to CCC (including administrative costs) would outweigh any probable increase in domestic consumption of wheat and corn or any possible net reduction in the level of Government stocks.

Because of the widespread use of cereal products, we also believe that it would be difficult to avoid significant interference with normal marketings of wheat flour and cornmeal, particularly in the case of schools and institutions. Even among needy persons and families, because of their relatively high consumption of cereal products, we would anticipate that a donation program would result in only a small overall increase in the use of cereal products.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

SECTION 32 OF THE ACT OF AUGUST 24, 1935

SEC. 32. There is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 percent of the gross receipts from duties collected under the customs laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be

maintained in a separate fund and shall be used by the Secretary of Agriculture only to (1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low-income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption. Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.

The sums appropriated under this section shall be expended for such one or more of the above-specified purposes, and at such times, in such manner, and in such amounts as the Secretary of Agriculture finds will effectuate substantial accomplishment of any one or more of the purposes of this section. Notwithstanding any other provision of this section, the amount that may be devoted, during any fiscal year after June 30, 1939, to any one agricultural commodity or the products thereof in such fiscal year, shall not exceed 25 percent of the funds available under this section for such fiscal year. The sums appropriated under this section shall be devoted principally to perishable non-basic agricultural commodities (other than those receiving price support under title II of the Agricultural Act of 1949) and their products. The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this section until expended, but any excess of the amount remaining unexpended at the end of any fiscal year over \$300 million shall, in the same manner as though it had been appropriated for the service of such fiscal year, be subject to the provisions of section 3690 of the Revised Statutes (U. S. C., title 31, sec. 712), and section 5 of the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1875, and for other purpose" (U. S. C., title 31, sec. 713) (7 U. S. C. 612 (c)).

Mr. HOLLAND. Mr. President, Senate bill 661 was introduced by the senior Senator from Kentucky [Mr. CLEMENTS] for himself and various other Senators, whose names appear on the bill.

The purpose of the bill is to make available wheat flour and cornmeal to needy persons.

The real objective has to do with the making available of flour and meal, along with the other commodities now being distributed out of surplus stores to persons who are on the relief rolls of the States where there is serious unemployment.

As a matter of fact, the urge for the bill comes largely from the States in the anthracite and the soft-coal regions, where there is apparently great and continuing unemployment and distress in the locations of coal-mining centers.

Under existing law neither the Secretary of Agriculture nor the Commodity Credit Corporation is permitted to pay

the costs of the processing of the surplus wheat into flour or the surplus corn into meal. Of course, as the Senate knows, we are sending surplus food packages—packaged flour and packaged meal—to various friends of ours overseas who are on relief; but no provision has as yet been made to permit the processing costs to be paid by the Commodity Credit Corporation in the case of the distribution of surplus commodities in the usable form of flour and meal to our own greatly distressed communities.

The House bill, of which I shall make mention later, was far too sweeping, in the opinion of the Senate committee, and also in the opinion of the two agencies which were most directly involved, that is, the Department of Agriculture and the Department of Health, Education, and Welfare. Both of them opposed the House bill, upon which hearings were held by the Senate, at the same time we considered our own bill, S. 661.

It was the opinion of the agencies and of the Senate committee that even the Senate bill was too sweeping in form. So, through the good offices of the senior Senator from Vermont [Mr. AIKEN], the matter was discussed in some detail with those in high position in the Department of Agriculture, in an effort to draft a measure which would have a reasonable chance to be supported and approved by the Department of Agriculture and by other administrative agencies.

The result of the efforts of the Senator from Vermont was the offering of a substitute measure in the Senate committee, which appears as an amendment to the Senate bill.

Under the terms of the amendment, the matter is limited, first, in point of time, to the 2 years, to expire June 30, 1957.

In the second instance, the bill is limited, in respect to the expense involved, by requiring that the cost of the program shall not exceed \$15 million in each of the 2 fiscal years in which money will be made available out of section 32 funds, of which there is an ample supply on hand. In fact, it appears that sizable amounts of section 32 funds will be turned back to the general revenue funds.

Furthermore, the program is limited to the distressed areas which are certified to the Secretary of Agriculture by the governors of the States which are affected as being so thoroughly in distress as to require this kind of relief.

Moreover, there is a further limitation in that the Secretary of Agriculture himself is also required to approve the specific distribution of the commodities in the specific communities where great distress and continuing unemployment exists.

Likewise, the substitute bill which is being offered by the committee requires delivery in only 1 or 2 selected places in each State, where the program may be applied to the State relief agencies, which must then assume all responsibilities of the distribution of the relief products.

It is thought that every reasonable safeguard has been placed around the program.

I am able to say the subcommittee and the full committee unanimously approved the program, with the single exception that the distinguished senior Senator from Delaware [Mr. WILLIAMS] felt there should be adopted an amendment requiring the States in such cases to pay a certain portion of the value of the commodities.

All the members of the committee were not in accord with that proposal, but the distinguished Senator from Delaware joined in reporting the bill in the form in which it now is, reserving the right to offer an amendment on the floor, which I expect he will do.

Mr. President, I ask that the committee amendment to the Senate bill in the nature of a substitute be first adopted.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I do not know whether the distinguished Senator from Delaware has prepared his amendment to the original bill or to the committee substitute, but, because of the parliamentary situation, wonder if the Senator would mind if the substitute were adopted, with the understanding that it should be treated as the original bill, so that the amendment could be offered to it.

Mr. HOLLAND. That would be satisfactory. I had assumed that before adopting the substitute the Senator from Delaware might be willing to offer the amendment, and that the Senate could act on the amendment. I will accede to the wishes of the Senator from Delaware. If he desires that the substitute of the committee, if adopted, be considered as the original text, so that his amendment may be offered to it, that procedure is agreeable. If he wishes to offer his amendment now, before the committee substitute is adopted, that procedure is equally agreeable.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the substitute be agreed to, with the understanding that the bill will then be open to amendment.

Mr. HOLLAND. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

Mr. HOLLAND. Mr. President, I yield to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I have an amendment at the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to insert the following:

Notwithstanding the foregoing no commodities shall be made available under this act in any State, unless payment shall be made to the Secretary of Agriculture from State or local funds of the lowest of the following: (1) 25 percent of the Government's investment in the commodities, including costs of processing and distribution; (2) the domestic sales price of the commodities;

or (3) the export sales price of the commodities.

Mr. WILLIAMS. Mr. President, the purpose of my amendment is very simple. I wish to say at the beginning that I am fully in agreement with the objective of the bill itself. Certainly there is much merit in the proposal that we should make available surplus commodities in our storage houses to those in need. I have no objection to that purpose.

My amendment merely provides that there shall be some contribution for the commodities at the local or State level.

Certainly the States have some responsibility toward the unemployed in their boundaries.

Furthermore, if we insist upon State participation in the cost of such relief programs we will be assured of better and easier administration. The proposal was recommended by the President in his message to Congress early last year. A similar amendment providing State participation should be incorporated in all such proposals.

In passing this bill, Congress will recognize that in the measure it is outlining a new policy whereby commodities in storage will be used for relief purposes. No one has any idea as to the future demand which may arise as a result of the enactment of the bill if substantial unemployment should develop in the States. In order to minimize the requests, and make sure that there will be proper supervision at the distribution level, I believe some State contribution is essential.

The amendment provides, as a safety catch, so the States will not be excessively charged, that in the event any agricultural commodity shall be sold abroad at a lower price than that which would result from the 25-percent formula, the States shall get the benefit of the lowest formula available.

The amendment is not being offered as a revenue-producing proposal, but as an administrative measure, because representatives of all the agencies involved admitted, in testimony before the committee, that if some provision were made in the program for State contribution some safeguards would be afforded in the distribution at the local level.

I hope the chairman of the committee, or the Senator from Florida, will accept the amendment and at least take it to conference and see if it cannot be worked out in a satisfactory manner there, because I think there is general agreement as to the necessity for such an amendment.

Mr. HOLLAND. Mr. President, I appreciate very fully the completely considerate way in which the Senator from Delaware has presented his proposal both on the floor and also in the subcommittee and full committee. He did not interpose any handicap at all to the consideration of the measure.

I wish I were in a position to accede to the suggestion of the Senator that I agree to take the amendment to conference, but that I cannot do, for reasons which I now state.

In the first place, the amendment was considered by both the subcommittee and the full committee, and was rejected.

In the next place, it seems to me it would be unwise to make a distinction between meal and flour and any other commodity, by requiring States to pay 25 percent of the cost of the meal and flour under the terms of this measure, on delivery to the States, whereas, pursuant to the existing law regarding surplus commodities, no requirement is made that a State shall put up 25 percent of the cost. In other words, under the pending amendment there would be a difference between distribution of flour and meal and the distribution of butter, canned or fresh fruit, cheese, or products which come from other industries.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall yield in a moment. I think there would be justifiable reason on the part of producers of the commodities named, as well as others, for feeling that discrimination was being practiced.

In the third place—and I shall yield gladly in a moment to the Senator from Minnesota—it seems to me we would be imposing some handicap in meeting a situation which, confessedly, is one of emergency in distressed communities, if we required States to put up funds which are not now available, and which might necessitate action by special sessions of the State legislatures before the States could be in a position to have made available to them additional help from the Government.

For these reasons I cannot agree to take the amendment to conference, and I regret that that is the case.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I should like to get a clear explanation of a question in my mind. For instance, we may have no available supply of fresh fruit in a particular season, depending on the area of the United States. If it were impossible to obtain fresh fruit, there would be an added cost in obtaining processed fruit, and there would be an added State contribution involved. Would that be a fact?

Mr. HOLLAND. That might be so. I do not know of any such commodity in the hands of the Federal Government, but if there were some such cases, that might be true.

Mr. THYE. Therefore, I think the amendment poses an administrative problem which is beyond anticipation at this time. I think it would add to administrative burdens. That is why I would have to oppose the amendment now. Dairy products are processed in the form of cheese, butter, and so forth. If fluid milk were involved, there would be no extra charge in connection with it. I think the amendment would pose an administrative problem with which we simply could not cope. That is why I have to oppose the amendment.

Mr. HOLLAND. I thank the Senator from Minnesota for his comment, which I think is appropriate.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator

from Florida yield to the Senator from Delaware?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. Mr. President, I wish to say that if the amendment is read, it will be observed that it does not provide that it shall be applicable solely to the commodities mentioned in the bill. It says it shall be applicable to all commodities mentioned in the original act. I agree fully that we should not single out wheat and corn, but I repeat the amendment would be applicable to all commodities.

In the case of butter and similar commodities, certainly they are purchased on a processed basis, in that the processing charges are added to the cost. In the case of wheat and corn, the proposal here is that they be sent back to the mills for additional processing, the charges for which would be included.

So the formula spells out clearly that all these factors will be taken care of. The only question is whether we wish to provide for 25 percent State contributions, along with the Federal contribution.

I wish to say for the benefit of those who will be the recipients that in all cases the contribution will come free in exactly the same form. The question is merely whether or not in the formula States shall provide some of the contribution, or whether the Federal Government shall bear the entire load.

The Senator from Florida raised the objection that the State legislatures might not be in session. The argument based on that point might be a good one, except for the fact that last year a similar amendment was offered, and was rejected on the same basis; and this year, when all the State legislatures were in session, in January we voted on another bill, and at that time rejected a similar proposal. So let us not kid ourselves about the amendment. If you feel that the States have no responsibility toward those needing relief in their areas but that our relief problems is one solely to be solved at the National level then defeat the amendment.

If you feel that some Washington officials know more about the needs of your State than do the State officials then let us stop saying so much about States rights.

Do not forget that with State rights go State responsibility.

If States want the proposed relief extended, they can and should provide some of the necessary funds. If they do not wish to provide some of the necessary funds, then it is likely that their need is not so great as has been represented to the Federal Government. I think the fiscal situation of every one of the 48 States is as good as, if not better than, that of the Federal Government.

We hear many statements about States' rights and State responsibilities. Certainly under the various relief programs, the States have some responsibilities.

If the exact amount of the contribution—in this case, 25 percent—is the point at issue, I want it clear I shall not

argue about the exact percentage to be required. But I think some of the responsibility should be borne at the State level; and I believe that if this amendment were adopted, the program throughout the country would be much better and much sounder.

Mr. HOLLAND. Of course, Mr. President, I understand the attitude of the Senator from Delaware, and there is merit to it. However, some of his comments apply to the original bill, not to the committee substitute, because the committee substitute relates only to flour and meal, not to all the commodities mentioned in the original bill.

Furthermore, the amendment will not repeal existing law in any way, but simply will be supplemental thereto.

All the relief permissible under the present law would still be permissible, and would continue in effect if this bill is enacted into law. The only change made by the bill would be to make it possible for the Commodity Credit Corporation to process the wheat and the corn, in order to produce flour and meal; and then, when the governor of the State certified there was an acute distress situation, and when that certificate comported with the belief of the Secretary of Agriculture as to the acuteness of the situation and as to the usefulness of this particular method of affording relief, such relief could be provided under the terms of the substitute amendment.

Mr. LONG. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. LONG. Is it not true that the Williams amendment would make it necessary that each of the 48 State legislatures be called into session and pass the necessary laws, in order to comply with the provisions of the amendment for a State matching formula, and in order that the amount of assistance in the form of the processed articles—in many instances might involve only small amounts of money—be made available to them?

Mr. HOLLAND. That might be true; but I do not think the situation would be so sweeping as the Senator from Louisiana has indicated, because, as drawn, the bill would be applied only to areas in which there is a great amount of distress. The bill is designed to take care of such situations in both the anthracite mining and the bituminous-coal-mining areas, where great distress exists; and one objection to the amendment of the Senator from Delaware is that the States affected by the bill, or those in which the people of the communities fall within the qualification of those who would be helped by the bill, might conceivably be required to call their legislatures into session.

It might be that the governor of such a State would have a small contingency fund which could be used to afford some relief; but if a considerable amount of money were involved, undoubtedly it would be necessary to have the legislature called into session, in order to have it provide for the necessary relief in such a situation.

Mr. LONG. As I recall, last year we provided for relief by means of making commodities available in the drought-stricken areas in a large number of the States of the Union. Conceivably, this fall or perhaps next summer there might be a drought because of which it might be necessary, under this amendment, that the State legislatures be called into session in a number of the States, in order to provide for a relatively small contribution. In that respect, it might be that the cost of convening the State legislatures would be as great as the amount of the contribution. Did that occur to the Senator?

Mr. HOLLAND. Certainly if there is need for relief in a given State, under the provisions of the amendment the Governor of the State would have to call the State legislature into session, in order to have it make provision for paying its part of the cost. There would be no exception to that arrangement; it would apply to every State which had a right to come under the provisions of this law.

Mr. LONG. Insofar as the average citizen is concerned, when he is providing relief for distressed persons, by means of paying his taxes, it does not make much difference to him whether a part of his taxes is channeled into the State Government and a part is channeled into the Federal Government. In any event, he would wish to have the necessary relief provided in the amount he thus had contributed; would he not?

Mr. HOLLAND. The committee thought so. But I wish to say that I think there is some merit to the position of the Senator from Delaware. He feels that the more restraint or the more safeguards we can provide for in various situations, the less likely there is to be abuse.

Having in mind the need for speed, and also having in mind the very real limitations as to the places to which these provisions would apply; the imposition of safeguards, by means of requiring the Governor of a State to find that, as a matter of fact, such an emergency existed, and to ask for help, and also that that would not happen unless there was a real distress situation; and also that the Department of Agriculture would be required to find that it would be proper to extend this relief; and further having in mind the other safeguards covered in the original presentation which has been made, the committee thought it had provided sufficient safeguards in order to achieve the desired result.

As a matter of fact, the program would be applied in a limited number of cases; it is an emergency program which is designed to meet emergency conditions in certain States—in particular in Pennsylvania and Kentucky, and perhaps in several of the other coal-producing States.

Mr. LONG. Did we require a 25-percent cash contribution when we undertook to give wheat to Pakistan and to India, or when we undertook to send commodities to Berlin, to assist distressed persons there?

Mr. HOLLAND. Of course, the Senator from Louisiana knows that in many

cases we did not require such a cash contribution. As I recall, in the case of India, the program was on a 50-50 basis; but we loaned India the money for her 50 percent. However, as I recall, in the other cases the Senator from Louisiana has mentioned, all the relief was given by us outright.

The committee felt that under all the circumstances, the passage of the bill is justified in order to make it possible to extend the needed relief to a limited number of communities and to a number of our own people in such communities who are suffering from distress conditions, which we regret to report do not seem likely to be terminated in the very near future.

Mr. LONG. I thank the Senator from Florida.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. I wish to say that adoption of this amendment will make more food available to the needy in the United States than would be the case if the amendment were rejected, because under no circumstances will the amendment, if adopted, change the formula by means of which the needy receive such relief which is free of charge. By requiring the States to make their contributions, the amendment will add to the amount of food which will be available and which will be provided to persons in need, whereas if the amendment were to be rejected, a decreased amount of food would thus be made available.

However, I want to be frank by saying that is not the primary purpose of the amendment.

But, from the standpoint of those who need assistance, they would get more by the adoption of the amendment than without it. They would get such relief entirely free.

The only question with respect to this amendment is the question of who shall pay the bill, and whether or not the States will make some contribution. So far as the recipient is concerned, it makes no difference to him who pays it.

As to the argument that the State legislatures in the 48 States would have to be called into session, the Senator from Florida [Mr. HOLLAND] has already pointed out, that is not true. It would be true only in the case of States which had no State agencies or facilities, and had never made any effort to help distressed people of their States. I do not think there is a single State today which is not at least making some token effort toward helping the unemployed. If they are not, they had better get busy.

I know that in my own State, and in the State of the Senator from Louisiana [Mr. LONG] there are programs for helping those in need. Those programs could be tied in with the national program.

Therefore, all we have to do is to furnish 75 percent of the amount as Government aid, and the States can make their contributions by 25 percent. So there is no necessity for calling into session the legislatures of any of the States, except, perhaps, in the case of a State which has desperate need, but

whose legislature has been in session, gone home, and paid no attention to their unemployed, in which case perhaps the legislature had better come back and reexamine its own backyard.

I think the Senator from Florida will agree with me that any one of the States which has a program of relief for the needy can use the funds already appropriated to match the State share.

I recognize that there are arguments on both sides with respect to this bill. Why should not the States put up a part of this contribution? It has been argued on the floor, every time this amendment is offered, that everyone is in favor of it—tomorrow—but tomorrow never comes. We have been talking about the subject for 2 years.

I should like to see the amendment adopted today, so that we can put it into effect tomorrow.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BARKLEY. With the permission of the Senator from Florida, I should like to say a word in regard to the background of this particular bill.

The bill grew out of a conference which some of us, representing the distressed areas, had at the beginning of this year with representatives of the Department of Agriculture.

The Senator from Florida has accurately described the unemployment and distress in certain regions of the country, and particularly the coal regions of West Virginia, Pennsylvania, Ohio, Kentucky, Virginia, and other States. The distress is so great in my State that today 225,000 people are on relief in Kentucky. That is nearly one-tenth of our population. The distress is very largely in the coal regions, because there is no other employment there. In many cases there is no other industry to which the unemployed can apply for jobs. Therefore, the call for relief has been great.

Last October I was in one town in eastern Kentucky to deliver an address. As I walked into the courthouse, the county judge of that county, through whom relief was distributed, told me that at that moment 300 men were standing in line for relief for their families, in that one town.

The conference with representatives of the Department of Agriculture to which I have referred was not with the Secretary, but with the Under Secretary or Assistant Secretary in charge of relief, to whom we had gone for specific relief in eastern Kentucky, West Virginia, and other places, in the distribution of flour and meal.

It developed in that conference that the Department of Agriculture interpreted the law to mean that they could not process wheat or corn into flour or meal so as to distribute the edible commodities in the communities where they were needed. It was generally agreed, I think, that Congress did not intend that to be the situation, but under the language of the law there was no other interpretation. We all agreed that it would be necessary to have legislation to correct that situation, authorizing the Depart-

ment and the Commodity Credit Corporation to process wheat into flour and corn into meal. As a result, this bill was introduced.

The relief situation has not improved. It has improved in certain sections of the country, but in the coal regions it has not appreciably improved. In all relief legislation heretofore, in connection with flood distress, drought distress, or any other kind, we have never required a State to put up one-fourth, or any other percentage of the relief granted.

The corn and wheat belong to the Federal Government. They are now in storage. The Government cannot properly distribute corn and wheat in the grain, because we certainly would not require distressed people to eat whole corn and wheat, like hogs or horses. The grain must be ground into flour or meal.

This need has been in existence for months. It is now nearly the first of August. The need has existed all during this year. If we require the States of Kentucky, West Virginia, Ohio, Pennsylvania, Virginia, and other States to put up one-quarter of the amount, including the cost of the grain itself in the first place, I suppose, and including storage and the cost of processing, it will be necessary either to call the legislatures into to extraordinary session or to delay relief until January, or some other time, when they meet under their constitutions.

In the conference to which I refer, with the representatives of the Department of Agriculture, the point was raised that, inasmuch as we are sending flour and meal and processed grains to other nations—and I am for that; I have supported it, and intend to support it so long as the needs exist—it was certainly not inappropriate or inconsistent that we process whole wheat and corn into flour and meal for our own people.

I hope the amendment of the Senator from Delaware, for whom I have the greatest admiration, and whose sincerity I do not question, will not be agreed to, because the result would be that, because of the peculiar situation, we would be asked to deal with the relief problem involved in this case in a manner different from that in which we have acted in connection with any other matter pertaining to relief. It would be a great hardship upon those who are hungry and distressed. It would be great hardship, without legislative action, to require a State legislature to meet in legislative session to comply with the terms of the bill. I hope the amendment will not be agreed to.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. I should like to say to the Senator from Kentucky that my amendment would not affect the authority of the Department of Agriculture to process these commodities. We have already adopted a committee amendment which would authorize that, and I am not proposing to change it.

I fully agree with the Senator from Kentucky that certainly we are not go-

ing to propose that these grains be distributed in the raw form. My amendment does not affect that proposal at all. All I am trying to do is to spell out who shall pay the cost, and whether or not the State is to make any contribution.

I know that in the State of the Senator from Kentucky a substantial contribution is now being made by the State. If this amendment is adopted, there will be 25 percent more available to the people of Kentucky and other States, free of charge, than there would be without the amendment. In my opinion it is past time when we should provide that the States shall make a contribution. I think they should.

The decision is as to whether or not we are to adopt a policy. It is not a question of whether we give away certain commodities abroad or at home. In either case, with or without the amendment, we would be giving away the commodity, whether relief was accorded abroad or at home. We are not debating that point at all. We are merely trying to say that States which are constantly battling for States' rights should be willing to make some contribution toward meeting the requirements of their own people.

My amendment would diminish the administrative expenses, because the Federal Government would exercise the minimum supervision over the program. It would be left almost entirely to the States to distribute the relief through their regular channels.

I do not wish to debate the question any further. I recognize the fact that there are good arguments both for and against the proposal. I certainly know that the Senator from Kentucky, one of the authors of the bill, who appeared before our committee, is very sincere. He ably demonstrated to our committee that there is great need for the legislation. I conclude with the hope the amendment will be adopted, whereby we can provide for a distribution of the cost between the States and the Federal Government.

MUTUAL SECURITY APPROPRIATIONS, 1956

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The hour of 12:30 o'clock having arrived, which terminates the morning hour, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 7224) making appropriations for Mutual Security for the fiscal year ending June 30, 1956, and for other purposes.

Mr. CLEMENTS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

DONATION TO DISTRESSED COMMUNITIES OF PROCESSED FOOD COMMODITIES

Mr. WILLIAMS. Mr. President, I realize that the morning hour is concluded, and that automatically the unfinished business, the mutual-security bill, comes before the Senate. In debating the amendment, while I certainly hope it may be adopted, I was not trying to delay action on the amendment and the bill by discussing the amendment until the close of the morning hour. Therefore, I ask unanimous consent that the Senate may proceed briefly with the further consideration of the bill. I should like to see the amendment and the bill disposed of, because I believe it is of some importance to those concerned. If it is agreeable to the acting majority leader, I should like to have the Senate proceed with the further consideration of the amendment and the bill.

Mr. HOLLAND. I hope the acting majority leader will agree that action be completed on the measure, and that the Senate may proceed for an additional 10 minutes with its consideration of the bill.

Mr. CLEMENTS. I certainly would have no objection, provided the bill is disposed of quickly. If it is not disposed of quickly, we shall have to proceed to the consideration of the mutual-defense bill.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. WILLIAMS. So far as I am concerned, I have nothing more to say on the subject. I believe we should vote on the amendment and the bill. It is unfortunate that consideration of the bill should have been cut off automatically by the expiration of the morning hour.

Mr. HOLLAND. If the distinguished Senator from Delaware will amend his request to provide for 10 additional minutes, I believe we can dispose of the bill in that time.

Mr. WILLIAMS. So far as I am concerned, I do not need any more time. I suggest that the Senate vote.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER (Mr. MONROE in the chair). Is there objection to the request of the Senator from Delaware?

There being no objection, the Senate resumed the consideration of the bill (S. 661), to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. HOLLAND. Mr. President, there is a similar House bill before the Committee on Agriculture and Forestry. In

order to expedite an immediate conference, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of H. R. 2851.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I now ask unanimous consent that the Senate proceed to consider the House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HOLLAND. Mr. President, I move that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the text of S. 661, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 661 is indefinitely postponed.

The title was amended so as to read: "A bill to make corn meal and wheat flour available to needy persons."

RELEASE OF CERTAIN MARGINAL LANDS TO CLEMSON AGRICULTURAL COLLEGE

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1061, H. R. 4280.

The PRESIDING OFFICER. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 4280) to direct the Secretary of Agriculture to release, on behalf of the United States, conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSTON of South Carolina. The bill was introduced in the House by the six Representatives from South Carolina, a similar bill was introduced in the Senate by both Senators from South Carolina. The committee has reported the House bill, which was amended to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: Senate passed bill to amend rice quota law. Senate made supplemental appropriation bill its unfinished business. House committee reported bills to amend the Sugar Act, tobacco allotments-quotas law, and rice quota law.

SENATE

1. RICE. Passed without amendment S. 2573, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, to provide that in States where farm rice acreage allotments are established on a producer basis only the past plantings of rice by the producer within the State and acreage allotments previously established in the State for the producers would be used in determining such allotments (p. 9785).
2. RIVER COMPACT. Passed as reported S. 730, to authorize a water compact between Kans. and Okla. for the waters of the Ark. River and its tributaries as they affect such States (p. 9777).
3. RECLAMATION. Passed over, upon requests of Sens. Ervin and Ellender, S. 2442, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects (p. 9779).
Passed as reported S. 926, to authorize the Secretary of the Interior to construct, operate, and maintain the Ventura River reclamation project, Calif., and S. 1194, to provide for construction by the Secretary of the Interior of Red Willow Dam and Reservoir, Nebr., as a unit of the Mo. River Basin project (pp. 9797-9801).

4. WATER RESOURCES. Agreed to the conference report on H. R. 3990, to authorize the Interior Department to investigate and report to Congress on the water resources in Alaska (pp. 9784-5).
5. APPROPRIATIONS. Made its unfinished business H. R. 7278, the supplemental appropriation bill for 1956 (p. 9803).
6. ELECTRIFICATION; WHEAT. Sen. Neuberger inserted Oregon Grange resolutions urging the return of certain hi-lines to the Bonneville Power Administration and favoring a two-price plan for wheat (p. 9763).
7. ST. LAWRENCE SEAWAY. Sen. Wiley announced that S. Doc 165, the manual on the Great Lakes-St. Lawrence seaway, has been released. He stated that the document contains a complete history of the seaway, a description of all of its economic, engineering, power, maintenance, legal, and other ramifications (pp. 9769-72).
8. REGULATORY AGENCIES. Sen. Sparkman expressed concern over "the growing practice of the executive branch of the Government to usurp the power of the legislative branch of the Government through perversion of the regulatory agencies" (pp. 9787-8).
9. TRANSPORTATION. Sen. Butler inserted a Maryland Farm News article, "Baltimore: the Port That Helped Agriculture," outlining reasons for Baltimore's importance in the development of agricultural trade, with special reference to the ability of the grain "mixers" (p. 9790).
10. GOVERNMENT SECURITY. Sen. Wiley announced that S. Doc. 40, the revised edition of the Internal Security Manual, has been released, and inserted Scott McLeod's letter commending this publication, with particular reference to Parts III and IV which relate especially to employee security programs (p. 9659, July 22).

HOUSE

11. COMMODITY CREDIT CORPORATION. ~~Received a draft of proposed legislation from the USDA, to increase the borrowing power of the CCC from \$10 to \$12 billion; referred to Banking and Currency Committee (p. 9862). Bills have been introduced in both Houses to execute the provisions of this proposal.~~
Conferees were appointed on H. R. 2851, to make agricultural commodities owned by the CCC available to persons in need in areas of acute distress (p. 9850). Senate conferees have not yet been appointed.
12. SUGAR. The Agriculture Committee reported with amendment H. R. 7030, to amend and extend the Sugar Act of 1948 (H. Rept. 1348) (p. 9863).
13. TOBACCO. The Agriculture Committee reported with amendment H. R. 6846, to provide for tobacco allotments on farms with no previously established quota (H. Rept. 1358); and reported without amendment H. R. 6847, to provide for the establishment of burley tobacco allotments (H. Rept. 1359), and H. R. 6845, to establish national marketing quotas for tobacco (H. Rept. 1360) (p. 9863).
14. RICE. The Agriculture Committee reported without amendment H. R. 7302, to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938 (H. Rept. 1361) (p. 9863).

Mr. BRAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. BRAY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report to motion to recommit.

The Clerk read as follows:

Mr. BRAY moves to recommit the conference report on the bill H. R. 7000 to the conference committee.

Mr. VINSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MASON. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 315, nays 78, answered "present" 1, not voting 40, as follows:

[Roll No. 129]

YEAS—315

Abbott	Coudert	Hays, Ark.
Abernethy	Cramer	Hébert
Addonizio	Cretella	Henderson
Albert	Cunningham	Herlong
Alexander	Curtis, Mass.	Heselton
Ager	Dague	Hess
Allen, Calif.	Davidson	Hiestand
Allen, Ill.	Davis, Ga.	Hill
Andersen,	Davis, Tenn.	Hinshaw
H. Carl	Davis, Wis.	Hoeven
Andresen,	Dawson, Ill.	Holmes
August H.	Dawson, Utah	Holt
Andrews	Deane	Hope
Arends	Dekaney	Horan
Ashley	Dempsey	Hosmer
Ashmore	Derounian	Huddleston
Aspinall	Devereux	Hull
Auchincloss	Dixon	Hyde
Ayres	Dodd	Ikard
Baker	Dolliver	Jackson
Baldwin	Dondero	James
Barrett	Donohue	Jarman
Bass, N. H.	Donovan	Jenkins
Bass, Tenn.	Dowdy	Jensen
Bates	Doyle	Johnson, Calif.
Becker	Durham	Johnson, Wis.
Belcher	Edmondson	Jonas
Bell	Elliot	Jones, Ala.
Bennett, Fla.	Ellsworth	Jones, Mo.
Bentley	Engle	Jones, N. C.
Berry	Evins	Judd
Blitch	Fallon	Karsten
Boggs	Fascell	Kearns
Boland	Feighan	Keating
Bolling	Fenton	Kelly, N. Y.
Bolton	Fernandez	Kilday
Frances P.	Fine	Kilgore
Bolton,	Fisher	King, Calif.
Oliver P.	Fjare	Kirwan
Bonner	Flynt	Kluczynski
Bosch	Fogarty	Landrum
Bowler	Forand	Lanham
Brooks, La.	Ford	Lankford
Brooks, Tex.	Forrester	Latham
Brown, Ga.	Fountain	LeCompte
Broyhill	Frazier	Lesinski
Buckley	Frelinghuysen	Lipscomb
Burleson	Friedel	Lovre
Burnside	Fulton	McCarthy
Bush	Gamble	McConnell
Byrnes, Wis.	Garmatz	McCormack
Canfield	Gary	McDonough
Cannon	Gathings	McIntire
Carlyle	Gavin	McMillan
Carnahan	Gordon	Machrowicz
Carrigg	Granahan	Mack, Ill.
Cederberg	Grant	Mack, Wash.
Celler	Gregory	Magnuson
Chase	Gubser	Mahon
Chatham	Gwinn	Mailliard
Chelf	Hagen	Martin
Chenoweth	Hale	Matthews
Clark	Haley	Merrow
Cole	Halleck	Metcalf
Colmer	Harden	Miller, Calif.
Cooley	Harris	Miller, Md.
Coon	Harrison, Va.	Miller, Nebr.
Cooper	Harvey	Mills
Corbett		

Minshall
Morano
Moss
Moulder
Multer
Murray, Ill.
Murray, Tenn.
Natcher
Norblad
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Neill
Osmer
Ostertag
Passman
Patman
Patterson
Pelly
Pfost
Phillips
Pilcher
Pillion
Poage
Poff
Preston
Price
Priest
Prouty
Quigley
Rabaut
Rains
Ray
Reed, Ill.
Rees, Kans.
Reuss
Rhodes, Ariz.
Richards

Riehlman
Riley
Rivers
Roberts
Robson, Ky.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Rutherford
Sadlak
St. George
Scherer
Schwengel
Scott
Scrivner
Scudder
Seely-Brown
Selden
Sheppard
Short
Shuford
Sikes
Siler
Simpson, Ill.
Simpson, Pa.
Sisk
Smith, Miss.
Smith, Va.
Spence
Springer
Steed
Taber
Talle
Taylor

Teague, Calif.
Teague, Tex.
Thomas
Thompson, Tex.
Thomson, Wyo.
Thornberry
Trimble
Tuck
Tumulty
Udall
Utt
Vanik
Van Zandt
Velde
Vinson
Vorys
Vursell
Wainright
Walter
Weaver
Westland
Wharton
Whitten
Wickersham
Widnall
Wigglesworth
Williams, Miss.
Williams, N. J.
Williams, N. Y.
Wilson, Ind.
Wolcott
Wolverton
Wright
Young
Younger
Zablocki
Zelenko

Mr. Morrison with Mr. Fino.
Mr. Winstead with Mr. Hillings.
Mr. Shelley with Mr. Kilburn.
Mr. Boykin with Mr. Krueger.
Mrs. Buchanan with Mr. Reed of New York.
Mr. Byrne of Pennsylvania with Mr. Budge.
Mr. Chudoff with Mr. Mumma.
Mr. Thompson of Louisiana with Mr. King of Pennsylvania.

Mr. Thompson of New Jersey with Mr. Tollefson.

Mr. Macdonald with Mr. Wilson of California.

Mr. JENNINGS. Mr. Speaker, I have a live pair with the gentleman from Virginia, Mr. HARDY. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. PATMAN changed his vote from "nay" to "yea."

Mr. BAILEY changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the bill H. R. 7000.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

OLD COLONY PROJECT, BOSTON HOUSING AUTHORITY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6980) providing for the conveyance of the Old Colony project to the Boston Housing Authority, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, line 5, after "determine" insert "and the amount received for each project shall be reported by the Administrator to the Banking and Currency Committee of the Senate and the Banking and Currency Committee of the House of Representatives."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendment was concurred in; and a motion to reconsider was laid on the table.

TRAVEL EXPENSE, UNITED STATES MARSHALS

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4019) to authorize mileage allowance of 10 cents per mile for United States marshals and their deputies for travel on official business.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

NAYS—78

Adair	Green, Oreg.	Mollohan
Bailey	Griffiths	Morgan
Barden	Gross	Nelson
Baumhart	Hand	Nicholson
Beamer	Harrison, Nebr.	O'Hara, Ill.
Bennett, Mich.	Hayworth	O'Hara, Minn.
Betts	Hoffman, Ill.	O'Konski
Blatnik	Hoffman, Mich.	Philbin
Bow	Hollifield	Polk
Boyle	Holtzman	Powell
Bray	Johansen	Rhodes, Pa.
Brown, Ohio	Kelley, Pa.	Robeson, Va.
Brownson	Klein	Roosevelt
Burdick	Knox	Saylor
Byrd	Knutson	Schenck
Christopher	Laird	Sheehan
Church	Lane	Smith, Kans.
Clevenger	Long	Smith, Wis.
Crumpacker	McCulloch	Staggers
Curtis, Mo.	McDowell	Sullivan
Denton	McGregor	Thompson,
Dollinger	McVey	Mich.
Dorn, S. C.	Madden	Van Pelt
Flood	Marshall	Wier
Gentry	Mason	Withrow
George	Meador	Yates
Gray		

ANSWERED "PRESENT"—1

Jennings

NOT VOTING—40

Anfuso	Hardy	Perkins
Avery	Hays, Ohio	Radwan
Boykin	Hillings	Reece, Tenn.
Buchanan	Kearney	Reed, N. Y.
Budge	Kee	Shelley
Byrne, Pa.	Keogh	Sieminski
Chiperfield	Kilburn	Thompson, La.
Chudoff	King, Pa.	Thompson, N. J.
Diggs	Krueger	Tollefson
Dingell	Macdonald	Watts
Dorn, N. Y.	Miller, N. Y.	Willis
Eberharter	Morrison	Wilson, Calif.
Fino	Mumma	Winstead
Green, Pa.		

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hardy for, with Mr. Jennings against.
Mr. Avery for, with Mr. Radwan against.

Until further notice:

Mr. Keogh with Mr. Kearney.
Mr. Anfuso with Mr. Miller of New York.
Mr. Hays of Ohio with Mr. Reece of Tennessee.

Mr. Dingell with Mr. Dorn of New York.

Mr. Eberharter with Mr. Chiperfield.

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That United States marshals and their deputies shall, under regulations prescribed by the Attorney General and whenever such mode of transportation is authorized or approved as more advantageous to the Government, be paid in lieu of actual expenses of transportation not to exceed 10 cents per mile for use of privately owned automobile or airplane when used on official business or when used in necessary travel on official trips. In addition to the mileage allowance prescribed in this Act, there shall be allowed to United States marshals and their deputies reimbursement for the actual cost of ferry fares and bridge, road, and tunnel tolls.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That subsection (3) of section 553 of title 28, United States Code, is amended by striking out '7 cents' and inserting '10 cents' in lieu thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2592) to increase the mileage allowance of United States marshals and their deputies from 7 cents per mile to 10 cents per mile.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, has this bill been cleared with the minority member of the Committee on the Judiciary?

Mr. LANE. Yes, it has been.

Mr. HOEVEN. And with the leadership on the Republican side?

Mr. LANE. Yes, it has.

Mr. HOEVEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (3) of section 553 of title 28, United States Code, is amended by striking out "7 cents" and inserting in lieu thereof "10 cents."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby a similar House bill (H. R. 4019) were vacated and that bill was laid on the table.

COMMODITY CREDIT CORPORATION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table, the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. COOLEY, POAGE, GRANT, JENNINGS, HOPE, AUGUST H. ANDRESEN, and HILL.

AMENDING TITLE V OF THE AGRICULTURAL ACT OF 1949

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. COOLEY, POAGE, GATHINGS, GRANT, HOPE, AUGUST H. ANDRESEN, and HILL.

SPECIAL ORDER GRANTED

Mr. CARNAHAN asked and was given permission to address the House for 5 minutes today, following the legislative program of the day and the conclusion of any special orders heretofore entered.

SOUTHERN CALIFORNIA'S POSITION ON THE UPPER COLORADO BASIN STORAGE PROJECT

Mr. HOSMER. Mr. Speaker, a football field is slightly more than an acre of ground. Cover it a foot deep with water and you would have about an acre-foot of water. Cover it with a tower of water 11,000 miles high, and you have an idea of the amount of water parched Southern California will lose if the upper Colorado Basin storage project is built as now planned.

Imagine a canal wide enough and deep enough to float the world's biggest ship, the Navy's new aircraft carrier *Forrestal*. Imagine that canal stretching from New York City to Los Angeles. During just 1 year, enough of the Colorado River's water to fill it could be stopped from flowing downstream at the project's gigantic Glen Canyon Dam.

That is water that could not be used by southern California, Arizona, and Nevada because it would be withheld upstream and never reach them.

All this is true because the multi-billion dollar project is designed to put approximately 48 million acre-feet of water in storage behind dams in Colorado, Utah, Wyoming, and New Mexico. Another 10 million acre-feet of water would be dissipated into thin air by evaporation during storage.

In all, 58 million acre-feet of water would not flow down the Colorado River from the Upper Basin States of Wyoming, Utah, New Mexico, and Colorado to the lower basin States of Arizona, Nevada, and California.

Yet so vital is this matter in the lower basin that even today arid Arizona and California are before the United States

Supreme Court litigating their rights to it.

California agrees that the upper basin is entitled to use some of that 58 million acre-feet, but contends that most of it must be left flowing down to the lower basin under provisions of a solemn contract entered into by these seven States in 1922 known as the Colorado River compact.

California's basic position is that she conforms to the compact and must insist that the States of the upper basin and the Federal Government do likewise in the planning and administration of the storage project. California thus is fighting only to preserve rights to water she already has and not for any new and additional water rights.

Relying on these existing rights, California carefully invested between one-half and three-quarter billion dollars of local money, not Federal money, for water projects calculated to make maximum use of her share of the Colorado River. Thereby, southern California was transformed from a semidesert into an oasis constituting one of the Nation's key economic and agricultural regions, supporting millions who migrated to her from borders from less hospitable climates.

As southern California continues to grow, her need for water becomes greater, not less. Should the bleak day ever come when her Colorado River water supply is cut off, on that day the jobs of the millions she supports will vanish and the value of everything they own that cannot be transported to another part of the country will be lost completely and forever.

That is why Californians in Congress are fighting so hard to prevent spending billions from the United States Treasury to build the upper Colorado project in such a manner as merely to transport the oasis of southern California to Wyoming, Colorado, Utah, and New Mexico. In the process, financial ruin would be imposed on almost 6 million southern Californians. These States can plan their projects without this disastrous result and California demands that they do so.

The reason they have failed so far to do it is clear. To find a common ground for agreement amongst themselves, each of the upper basin States had to accept every project, good, bad or indifferent, any of the others asked for. They ended up with a monstrosity that did not fit the interpretations and meaning of the Colorado River compact. Rather than recede, they adopted a technique of twisting, straining and distorting the compact in an attempt to stretch it over the monstrosity.

The reason they have adopted this technique is not so clear. To understand it requires some knowledge of the Colorado River compact and the situation that produced it.

Early in this century southern California already had begun its miraculous expansion in population, agriculture and industry. A water shortage was faced, and Los Angeles began reaching up into the Owens Valley for water to be transported through an aqueduct over 100 miles long. Even then, men of vision

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 27, 1955
For actions of July 26, 1955
84th-1st, No. 126

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For Highlights, see page 7.

HOUSE

1. ~~SURPLUS COMMODITIES. The Agriculture Committee reported without amendment S. 2253, to reemphasize trade development as the primary purpose of Title I of Public Law 480 and to increase the authorization of sales from \$700 million to \$1.5 billion (H. Rept. 1426) (p. 10016).~~

The conferees on H. R. 2851, to make agricultural commodities owned by the CCC available to persons in need in areas of acute distress, agreed to file a conference report (the House conferees agreed to accept the Senate amendments) (p. D787). Senate conferees had been appointed earlier in the day (p. 9873).

2. ~~COMMODITY EXCHANGES. The Agriculture Committee reported without amendment S. 1051, to amend Section 8a (4) of the Commodity Exchange Act by authorizing increases in the fees for registration and certification (H. Rept. 1425) (p. 10016).~~

3. ~~FARM LABOR. The conferees on H. R. 3822, to extend the Mexican farm-labor program, agreed to file a conference report (the Senate conferees receded from the Senate amendment) (p. D787). Senate conferees had been appointed earlier in the day (p. 9873).~~

4. RICE. The Thompson, Tex., subcommittee of the Agriculture Committee approved for reporting to the full committee H. R. 7367, "to provide that the 1956 national acreage allotment on rice shall be established which is less than 85% of the final allotment established for the immediately preceding year" (p. D784).
5. WATER POLLUTION. The Public Works Committee reported with amendments S. 890, to extend and strengthen the Water Pollution Control Act (H. Rept. 1446) (p. 10016).
6. DAIRY PRODUCTS; FARM PROGRAM. Rep. Johnson criticized the Administration for its alleged failure to aid the dairy farmer in a period of continued price spreads (pp. 9997-10004).
7. ROADS. Commenced debate on H. R. 7474, the Federal-aid highway construction bill. Rep. Dondero offered a substitute amendment in the form of H. R. 7494, and subsequently Rep. Thompson, La., offered the provisions of H. R. 7542 as an amendment to the amendment of Rep. Dondero. The amendment of Rep. Thompson, La., was rejected and the amendment of Rep. Dondero was pending when the Committee of the Whole rose. (pp. 9945-90.)
8. GOVERNMENT SECURITY. Received the conference report on H. J. Res. 157, to establish a Commission on Government Security (H. Rept. 1407). (pp. 9941-2).
9. ELECTRIFICATION. Received a letter from the Chairman, Federal Power Commission, relative to the following publications: Typical Electric Bills, 1955, and Statistics of Electric Utilities in the United States, Publicly Owned, 1953; referred to the Interstate and Foreign Commerce Committee (p. 10015).
10. RURAL ELECTRIFICATION. Received a report from the Comptroller General on the audit of REA for the fiscal years 1953 and 1954; referred to the Government Operations Committee (p. 10016).
11. RENTALS. Received a supplemental report from the Budget Bureau on activities under Budget Bureau Circular A-45, regulating rental rates for Federal employee quarters, for the year prior to November 1, 1954; referred to the Appropriations Committee (p. 10016).
12. LAND TRANSFER. The Public Works Committee reported without amendment H. R. 6634, to provide for the conveyance of 1.8 acres of land within the Grapevine Dam and Reservoir project to the city of Grapevine, Tex. (H. Rept. 1421) (p. 10016).
13. PERSONNEL. The House Administration Committee reported without amendment H. R. 3084, amending certain provisions of the laws relating to the prevention of political activities, to make them inapplicable to State officers and employees (H. Rept. 1424) (p. 10016).
14. FOREIGN AID. Rep. Gary resolved to maintain the \$628 million decrease in funds of the Mutual Security Appropriation Act for 1956 when the conferees meet (pp. 9933-4).
15. EDUCATION. The Education and Labor Committee reported with amendments H. R. 7245, providing assistance for local educational agencies in areas affected by Federal activities (H. Rept. 1441) (p. 10016).

By Mr. HOLLAND:

Address entitled "The National Rivers, Harbors, and Flood-Control Program," delivered by Maj. Gen. S. D. Sturgis, Jr., Chief of Engineers, United States Army, at 42d national convention of the National Rivers and Harbors Congress, May 31, 1955.

By Mr. POTTER:

Address by Under Secretary of Labor Arthur Larson, delivered at Eighth Annual Conference on Aging, University of Michigan, Michigan Union, Ann Arbor, Mich., on June 28, 1955, which will appear hereafter in the Appendix.

By Mr. McNAMARA:

Statement made by G. Mennen Williams, Governor of the State of Michigan, before the Refugee Subcommittee of the Senate Committee on the Judiciary on June 8, 1955.

By Mr. LANGER:

Letter dated April 3, 1955, addressed to him by Louis A. Kosteletzky, of North Dakota, discussing farm problems:

By Mr. GOLDWATER:

Remarks of Col. James C. Wood, Republican State chairman of Arizona, entitled "Who's Who With Labor?"

By Mr. BENDER:

Address entitled "Far Western Growth Makes Utility History," delivered by James B. Black, chairman of the board of the Pacific Gas & Electric Co., before the 23d annual convention of the Edison Electric Institute, in Los Angeles, Calif., on June 14, 1955, which will appear hereafter in the Appendix.

Article entitled "McDermott on Passports," published in the Cleveland Plain Dealer of July 16, 1955, dealing with the activities of the Passport Division of the State Department, which will appear hereafter in the Appendix.

By Mr. JOHNSTON of South Carolina:

Article entitled "Farm and Factory Product Prices Reach Widest Spread Since World War II's End," published in the Wall Street Journal of July 7, 1955.

By Mr. MONRONEY:

Article entitled "Needed: Airport Development Aid," written by Larry Cates, and published in the Air Line Pilot for July 1954.

By Mr. LEHMAN:

Two communications relating to minimum-wage legislation.

By Mr. WILEY:

Article entitled "A Vaccine Against Delinquency," written by Hon. Jacob K. Javits, attorney general of the State of New York, for the National Jewish Welfare Board.

Letter written by Bill Grogan, reporting on moral rearmament trip through Asia.

REGULATION OF ELECTION OF DELEGATES OF THE DISTRICT OF COLUMBIA TO NATIONAL POLITICAL CONVENTIONS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 191) to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MORSE. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MORSE, Mr. BIBLE, and Mr. HRUSKA conferees on the part of the Senate.

DONATION OF CERTAIN AGRICULTURAL COMMODITIES TO PERSONS IN DISTRESSED AREAS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 2851) to make agricultural commodities owned by the Commodity Credit Corporation available to persons in need in areas of acute distress, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. HOLLAND, Mr. ANDERSON, Mr. AIKEN, and Mr. WILLIAMS conferees on the part of the Senate.

AMENDMENT OF TITLE V OF THE AGRICULTURAL ACT OF 1949

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

PURCHASE OF BONDS TO COVER CERTAIN EMPLOYEES OF POST OFFICE DEPARTMENT

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4778) to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department and mail clerks of the Armed Forces, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JOHNSTON of South Carolina, Mr. NEELY, and Mr. CARLSON conferees on the part of the Senate.

LEADERSHIP DISPLAYED BY PRESIDENT EISENHOWER AT THE GENEVA CONFERENCE

Mr. CARLSON. Mr. President, once again, President Eisenhower has displayed his capacity for leadership by seizing the diplomatic initiative from the Soviets and restoring it to the free world.

In an atmosphere tense with suspicion and fear, the President remained conciliatory and calm. He did not go to Geneva to make deals and he did not attempt to do so. He made none.

When the Soviets manifested their usual truculent attitude, the President was neither discouraged nor dismayed. Knowing these people, he anticipated their behavior and was prepared to act accordingly.

With superb timing, omitting catchy phrases or meaningless slogans, he ultimately presented a forthright proposal for the exchange of military blueprints and mutual access for aerial inspection of defense establishments.

At the same time, he solemnly stated the alternatives, namely, that the United States was prepared to maintain, and if necessary increase, its armed strength for as long a period as is necessary to safeguard peace and to maintain our security.

The sincerity of the United States in the search for peace was thus forcibly presented to the world. The Soviets have no answer.

No one can evaluate the accomplishments of the Geneva Conference at this time. Our President went to Geneva with the extremely limited objective of seeking new approaches to old problems. There can be no doubt that he accomplished that objective and possibly more. Furthermore, despite the misgivings of some, he met with the Russians without appeasing them or in any way jeopardizing the existing reliable safeguards for the security of the United States and its friends and allies.

The real story of Geneva can be told only when we observe the Soviet reaction to our proposal. The possibility exists that the obvious honesty and integrity of the President must cause serious reflective thought in the Kremlin, with an eventual genuine attempt on the part of the Russians to resolve the present world tension.

If, in subsequent months, they move toward implementing President Eisenhower's plans, a giant stride toward peace may have been taken. If not, we shall have at least made our aspirations clear to the world.

In any event, a favorable setting has been established for the forthcoming October meeting of the Foreign Ministers, when the difficult problems of German unity and European security are to be discussed.

We are fortunate that, at this crucial phase of human history, the American people have the benefit of the inspiring and imaginative leadership of President Eisenhower.

The President has successfully completed a difficult assignment. He has

created an atmosphere of sincere, calm reassurance in a world fraught with tension. A grateful Nation thus welcomes him home.

ILLNESS OF SENATOR JOHNSON OF TEXAS

Mr. BUSH. Mr. President, one of the finest of the many editorials which have come to my attention concerning the majority leader, the distinguished Senator from Texas [Mr. JOHNSON], was published recently in the *Waterbury (Conn.) Republican*. I think the editor who wrote this editorial has formed a very excellent picture of the majority leader. I am very much impressed with the fact that he has formed such a good picture at such a distance from this very remarkable man.

As one of the many friends of the distinguished majority leader who have the deepest sympathy for him in his present plight, I take great pleasure in asking unanimous consent that this fine editorial be printed in the *RECORD* at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

SENATOR JOHNSON STRICKEN

It must have given a mental shock to innumerable readers of the news from Washington to learn, in the course of the weekend, that Senator LYNDON B. JOHNSON of Texas, floor leader of the Democratic majority in the more select chamber of Congress, had been stricken with a severe heart attack. He is in the prime of life, and had appeared to be endowed with extraordinary powers of physical vigor and stamina, as well as intellectual resourcefulness. Indeed, he must have been richly supplied with all of those qualities, to have been able to withstand for so long the strain of such efforts as he constantly applied to the performance of his official tasks.

Close observers of Congress in action had commonly noted that Senator JOHNSON was one of the most zealous and efficient majority leaders his own or the Republican Party had ever assigned to his position. To begin with, he undoubtedly had a natural talent for his responsibilities, and a skillfully cultivated knowledge of how to apply it with the utmost possible success. Even so, it obviously took a vast amount of continuous exertion besides, to achieve the impressive parliamentary feats that Washington newswriters have given him credit for.

It has been some degree reassuring to read that, while he probably will not be able to resume his post before the present session of Congress is adjourned, the Senator apparently may be expected to recover in plenty of time for the next. Even so, it is to be supposed, and also hoped, that he never again will spend his energy so extravagantly as he had done this year, up to the time when he was stricken. He has been such an exceptionally competent and admirable legislator that the national community would be loath to hear of his withdrawal from public life.

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the *RECORD* an editorial entitled "Best Wishes, Senator JOHNSON," which was published in a recent edition of the *Nashville Banner*.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

BEST WISHES, SENATOR JOHNSON

Senator LYNDON JOHNSON's serious illness is a matter of deep concern to all who know him personally, or who know him simply by name as the Senate majority leader.

An important responsibility passed to him when congressional control shifted last year to his party's hands. For the most part, he has exercised that role as a balance wheel—neither unresponsive to the dictates of conservatism as embodied by respected southern Senators, nor amenable to the legislative demands of wild-eyed liberals in their partisan handiwork.

Quite a calendar of unfinished business remains at this time, with hurdles to be cleared without undue delay if Congress is to adjourn on the indicated date, July 31. The Nation is concerned about that. It looks to Senator EARL CLEMENTS, as majority leader pro tempore, to skillfully use the reins of that driver's seat.

America's best wishes go to Senator JOHNSON for a speedy and complete recovery.

BEAVER MARSH PROJECT

Mr. NEUBERGER. Mr. President, my constituents in the State of Oregon are the victims of a political run-around from Secretary McKay and the Interior Department.

Conservationists in Oregon are objecting to a proposed power project on the scenic reaches of the upper McKenzie River, known as the Beaver Marsh project, because they fear it would destroy scenery and fish life, and otherwise impair recreational values.

The Interior Department, speaking through Assistant Secretary Fred G. Aandahl, has indicated to the Federal Power Commission that it has no objection to the granting of a license to the Eugene Water Board for construction of the Beaver Marsh project. This report is dated December 16, 1954.

But Secretary of the Interior Douglas McKay, in a letter to me dated July 15, 1955, has declared himself against the Beaver Marsh project.

What utter nonsense is this, Mr. President? Is Douglas McKay the Secretary of the Interior or is he not? Is he trying to straddle the fence by letting his Department ratify the Beaver Marsh project, while he himself tries to satisfy conservationists by opposing it? If this is the case, let me say that Oregon conservationists will not be fooled. They know that, while Secretary McKay may give them fine words and rhetoric, he is permitting his Department to approve a project which will damage fisheries, marvelous waterfalls, and wildlife in the watershed of the McKenzie River.

This is the old political shell game—giving one side the words and the other side the decision.

Let me read to the Senate an amazing quotation from Secretary McKay's letter to me of last week. He writes:

While the bureaus in the Department of the Interior would not be adversely affected by this project, I personally am very definitely opposed to it.

Imagine what would happen, Mr. President, if every level of government followed this incredible line of procedure. We would have the Treasury Department advocating a balanced budget, while Secretary Humphrey would write let-

ters to Senators saying "I personally am very definitely opposed to it."

We would have the Department of Agriculture proposing flexible price supports for farm products, while Secretary Benson would write letters to Senators saying "I personally am very definitely opposed to it."

We would have the Department of Health, Education, and Welfare suggesting Federal aid to school construction, while Secretary Folsom would write letters to Senators saying "I personally am very definitely opposed to it."

What does it mean to be a Cabinet officer in this administration, Mr. President? Does it mean that his department does one thing while he urges a different course? Is the office of Secretary of the Interior purely titular, or does it carry with it authority over the various agencies of the Interior Department?

I have been wondering, for example, why the Interior Department, under Secretary McKay, was proposing expenditures of \$1,659 million on the upper Colorado River while at the same time it insists that the Federal budget cannot stand the strain of \$308 million in expenditures at Hells Canyon, in Mr. McKay's own Pacific Northwest region.

I call to the attention of Pacific Northwest conservationists the undeniable fact that the Interior Department, under Assistant Secretary Fred G. Aandahl, has ratified the Beaver Marsh project, while Secretary of the Interior McKay says he is opposed to that project. In other words, the conservationists get the phrases; the Eugene Water Board gets the departmental decision. This is about as logical as a judge telling a felon: "The jury having found you innocent, I sentence you to be hanged."

Mr. President, unlike Secretary McKay, I have only one position on the Beaver Marsh project—I am opposed to it. I ask unanimous consent to include in the *RECORD* with these remarks my letter of July 18, 1955, to the Federal Power Commission expressing opposition to the Beaver Marsh project, because of its adverse effect on scenery, waterfalls, fisheries, and the McKenzie drainage basin generally.

I also ask unanimous consent to include the Interior Department report from Assistant Secretary Aandahl of December 16, 1954, approving the project, and Secretary McKay's letter to me of July 15, 1955, opposing the project.

I call attention to the fact that Secretary McKay claims he will continue to oppose it—Beaver Marsh project.

This will be most heartening to Oregon conservationists, I am sure. The Secretary of the Interior will continue to oppose the project while the Department of the Interior, presumably, will continue to approve the project.

This Jekyll-and-Hyde performance may be good politics, Mr. President, but I submit that it definitely is not good government.

There being no objection, the letters and reports were ordered to be printed in the *RECORD*, as follows:

July 27, 1955

15. **MARKETING.** The Agriculture Committee reported with amendment S. 1757, providing penalties for violations of grade marking standards of products in interstate commerce under the Agricultural Marketing Act (H. Rept. 1468) (p. 10133).
16. **EXTENSION WORK.** The Agriculture Committee reported with amendment S. 2098, authorizing appropriations to be used for agricultural extension work for special circumstances in regard to low-income farmers (H. Rept. 1409) (p. 10134).
17. **RICE.** The Agriculture Committee reported with amendment H. R. 7367, providing that the 1956 national acreage allotment on rice shall be established which is less than 85% of the final allotment established for the immediately preceding year (H. Rept. 1462) (p. 10133).
18. **FARM LABOR.** Received the conference report on H. R. 3822, which provides a $3\frac{1}{2}$ year extension (until June 30, 1959) of the Mexican farm-labor program, relieves employers of double liability for the cost of returning a worker to Mexico where the employer has paid once for such movement but the Mexican does not return and is later apprehended, and specifies that the Secretary of Labor is to obtain information on the availability of domestic workers, prevailing wage rates, and labor shortages in the area, and then post publicly the number of workers to be imported (H. Rept. 1499) (pp. 10090-1).
19. **COMMODITY CREDIT CORPORATION.** Received the conference report on H. R. 2851, authorizing the distribution of agricultural commodities owned by the CCC to persons in need in areas of acute distress (H. Rept. 1450) (p. 10091). The bill authorizes the Secretary of Agriculture, until June 30, 1957, upon request of a State Governor, to distribute to a central point in the State concerned, wheat flour and corn meal owned by the CCC using Sec. 32 funds limited to \$15 million a year.
20. **WATER RESOURCES.** Received the conference report on H. R. 3990, to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska (H. Rept. 1447) (p. 10089).
21. **ROADS.** Rejected, by a vote of 123 to 292, H. R. 7474, the Federal-aid highway construction bill (pp. 10091-10122). The House had previously rejected a motion to recommit the bill by a vote of 193 to 221. The Dondero substitute, to enact the President's road program, was rejected by a vote of 178 to 184. During the debate on the bill, Rep. Gavin criticized the farm leaders of the House on their concept of "fiscal responsibility" in regard to farm subsidies and price supports. Rep. Jones, Ala., offered an amendment which was accepted, preventing the use of highway construction funds to reimburse utilities for relocation of their lines when in conflict with the construction program; and during debate on this amendment there was discussion of the extent to which it would have benefited REA cooperatives.
22. **FOREIGN AID.** Received the conference report on H. R. 7224, the mutual security appropriation bill (H. Rept. 1501) (pp. 10122-3).
23. **DEFENSE PRODUCTION.** The Rules Committee reported a resolution for the consideration of H. R. 7470, to amend the Defense Production Act (p. 10124).
24. **FARM-CITY WEEK.** A subcommittee of the Judiciary Committee ordered reported to the full committee H. J. Res. 317, designating the last week in October of each year as National Farm-City Week (p. D796).

25. **SURPLUS GRAINS.** Rep. Reuss criticized the Interior Department for allegedly "winking at duck-baiting violations," and suggested that deteriorated surplus grains owned by the CCC should be used for wildlife feeding purposes (pp. 10128-9).

26. **PERSONNEL.** The Post Office and Civil Service Committee reported with amendments the following bills: H. R. 7618, to amend Sec. 8 of the Civil Service Retirement Act (H. Rept. 1473); and S. 1849, to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment (H. Rept. 1498) (pp. 10133-4).

The Post Office and Civil Service Committee ordered reported H. R. 3255, to amend the Classification Act of 1949, to prevent loss of salary after an employee has held a position for more than 2 years (p. D796).

The Post Office and Civil Service Committee announced the appointment of the following investigative subcommittees under authority of H. Res. 304: Subcommittee on Manpower Utilization and Departmental Personnel Management (Rep. Davis, Ga., Chairman), and Subcommittee on Civil Service Commission and Personnel Programs (Rep. Morrison, Chairman) (p. D796).

A subcommittee of the Judiciary Committee ordered reported to the full committee claims of Federal employees for the recovery of fees, salaries, or compensation (p. D796).

27. **PROPERTY.** The Government Operations Committee reported without amendment H.R. 6182, to make temporary provision for making payments in lieu of taxes with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments (H. Rept. 1453) (p. 10132).

The Government Operations Committee reported with amendment H. R. 7227, to authorize the disposal of surplus property for civil defense purposes, and to provide that certain Federal surplus property be disposed of to State and local civil defense organizations which are established by or pursuant to State law (H. Rept. 1455) (p. 10133).

28. **MINIMUM WAGE.** The conferees on S. 2168, to amend the Fair Labor Standards Act of 1938 so as to provide for an increase to \$1 of the minimum wage provisions, agreed to file a conference report (p. D797).

29. **RECLAMATION; ELECTRIFICATION.** The Public Works Committee reported with amendment H. R. 7195, to provide for the reconveyance of lands in certain reservoir projects in Texas to the former owners (H. Rept. 1461) (p. 10133).

The Interior and Insular Affairs Committee reported without amendment H.R. 1603, to terminate the prohibition against employment of Mongolian labor in the construction of reclamation projects (H. Rept. 1502) (p. 10134).

The Aspinall subcommittee of the Interior and Insular Affairs Committee approved for reporting to the full committee H. R. 4719, to authorize construction and maintenance of the Hells Canyon Dam (p. D795).

30. **MINERALS.** The Interior and Insular Affairs Committee reported with amendments H. R. 6994, to provide for entry and location, on discovery of a valuable source material upon public lands of the U. S. classified as or known to be valuable for coal (H. Rept. 1478) (p. 10133).

31. **LEGISLATIVE PROGRAM.** The Majority Leader scheduled consideration of H. R. 6455, the natural gas bill, for July 28. When questioned about House adjournment, the Majority Leader replied, "I would say we can reasonably expect to do so (adjourn) by next Tuesday or Wednesday. That would be my best guess." (p. 10124.)

MEAL AND FLOUR FOR RELIEF

JULY 27, 1955.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 2851]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
JOHN J. WILLIAMS,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, submit the following statement in explanation of the action agreed upon and recommended in the accompanying conference report:

As passed by the House, this bill transferred from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare responsibility over the distribution of surplus agricultural commodities for relief purposes in two specific types of distress areas—those designated by the Secretary of Labor as areas of “substantial labor surplus” and those designated by the President as warranting assistance by the Federal Government under Public Law 875, 81st Congress, because of a major disaster.

Those agricultural commodities of a perishable nature which are acquired by the Commodity Credit Corporation in its price-support operations and must be disposed of within a limited period in order to avoid deterioration and spoilage, would have been donated to the Department of Health, Education, and Welfare without charge for use in its relief operations. Storable commodities, such as grains, would have been processed into flour or meal at the request of the Department of Health, Education, and Welfare, transferred to that agency for relief distribution, and the cost thereof charged to that Department.

The bill as passed by the House gave expression to the principle which has often been stated by the Committee on Agriculture that a line of distinction should be drawn between that distribution of surplus agricultural commodities which is a necessary and integral part of our support program and that distribution which does not contribute directly to the farm program but which is, in fact, a relief operation. The free distribution of cereals which are not in imminent danger of deterioration or spoilage, particularly when such distribution is in the form of processed products, is clearly within the field of relief operations and not a part of the farm program. No matter how worthy the operations may be, it is clearly one which should be charged to relief and welfare and not to agriculture.

The Senate amendment strikes out all of the provisions of the House bill and substitutes the provisions of a Senate bill which merely authorizes, until June 30, 1957, distribution of wheat flour and corn meal to needy individuals and families upon the specific request of the governor of a State. The distribution to a central location or locations in each State will be made by the Secretary of Agriculture using funds, limited to \$15 million a year, available under section 32 of the act of August 25, 1935.

The conferees on the part of the House have reluctantly accepted the Senate substitute not because they have changed in any degree their belief in the principle represented by the House bill but because

they know that the need among unemployed coal miners and others is very great and believe that the only possibility of affording them this relief at the present time is to accept the Senate amendment.

The committee of conference considered making the relief action mandatory, rather than a mere authorization as contained in the Senate amendment. The conferees on the part of the House did not insist upon this change on assurance that the Senate amendment has the approval of high officials of the Department of Agriculture and that the Department does, in fact, intend to carry out the authorized program.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.



the interest of both the United States and of the Federal Republic of Germany as well to have it ratified at an early date. We believe it will be very helpful in improving commerce between the two nations and in initiating nondiscriminatory treatment for persons and property of their respective nationals. I wholeheartedly endorse approval of the treaty at this time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. CLEMENTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLEMENTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the resolution of ratification?

Mr. HUMPHREY and Mr. KNOWLAND asked for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Texas [Mr. JOHNSON] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "Yea."

Mr. SALTONSTALL. I announce that the Senator from Wyoming [Mr. BARRETT] is absent because of illness in his family.

The Senator from Indiana [Mr. JENNER] and the Senator from Kansas [Mr. SCHOEPPPEL] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] is detained in the Senate Office Building on official business due to the fact that by order of the Senate Committee on Investigations he and the Senator from Arkansas [Mr. McCLELLAN] are on an appointment long distance telephone call taking testimony from officials of the Douglas Aircraft Co. of California. If the Senator from South Dakota [Mr. MUNDT] were able to be present he would vote "yea" in favor of the ratification of the German Treaty.

The Senator from Wisconsin [Mr. MCCARTHY] is detained on official committee business.

The Senator from Connecticut [Mr. BUSH] is detained on official business.

If present and voting the Senator from Connecticut [Mr. BUSH], the Senator from Wyoming [Mr. BARRETT], and the Senator from Kansas [Mr. SCHOEPPPEL] would each vote "yea".

The yeas and nays resulted—yeas 83, nays 0, as follows:

YEAS—83

Alken	Flanders	Millikin
Allott	George	Monroney
Anderson	Goldwater	Morse
Barkley	Green	Murray
Beall	Hayden	Neely
Bender	Hennings	Neuberger
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Holland	Potter
Bridges	Hruska	Purtell
Butler	Humphrey	Robertson
Byrd	Ives	Russell
Capehart	Jackson	Saltonstall
Carlson	Johnston, S. C.	Scott
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kerr	Smith, Maine
Chavez	Kilgore	Smith, N. J.
Clements	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Daniel	Lehman	Thurmond
Dirksen	Long	Thye
Douglas	Magnuson	Watkins
Duff	Malone	Welker
Dworshak	Mansfield	Wiley
Eastland	Martin, Iowa	Williams
Ellender	Martin, Pa.	Young
Ervin	McNamara	

NAYS—0

NOT VOTING—13

Barrett	Jenner	Mundt
Bush	Johnson, Tex.	O'Mahoney
Frear	Kennedy	Schoeppel
Fulbright	McCarthy	
Gore	McClellan	

The PRESIDING OFFICER (Mr. SCOTT in the chair). Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to.

Mr. CLEMENTS. Mr. President, I ask that the Senate now proceed to the consideration of nominations on the Executive Calendar, beginning with the Diplomatic Service.

The PRESIDING OFFICER. The clerk will proceed to state the nominations on the Executive Calendar.

DIPLOMATIC SERVICE

The legislative clerk read the nomination of Julian F. Harrington to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Panama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles W. Yost to be Ambassador Extraordinary and Plenipotentiary of the United States to the Kingdom of Laos.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

MINT OF UNITED STATES AT SAN FRANCISCO, CALIF.

The legislative clerk read the nomination of Arthur C. Carmichael to be Superintendent of the Mint of the United States at San Francisco, Calif.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Craig S. Atkins to be judge of the Tax Court of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. CLEMENTS. I ask that the President be immediately notified of all executive action taken by the Senate today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. CLEMENTS. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR CALL OF THE CALENDAR ON THURSDAY

Mr. CLEMENTS. Mr. President, I ask unanimous consent that at the conclusion of routine business tomorrow, there be a call of the calendar from the beginning, for the consideration of measures to which there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO FILE REPORTS AND RECEIVE MESSAGES

Mr. CLEMENTS. Mr. President, I ask unanimous consent that during the adjournment of the Senate following today's session, the several standing committees be authorized to file reports, and that the Secretary of the Senate be authorized to receive messages from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMODITY CREDIT CORPORATION TO PROCESS FOOD COMMODITIES FOR DONATION UNDER CERTAIN ACTS—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The Committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagree-

ment to the amendment of the Senate to the title of the bill and agree to the same.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
JOHN J. WILLIAMS,

Managers on the Part of the Senate.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD R. HOPE,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CLEMENTS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. CLEMENTS. May I inquire from the Senator if this is the measure dealing with surplus commodities?

Mr. HOLLAND. It is. It is the measure to make flour and meal available in certain distress areas. I assure the Senator that the conference report can be disposed of in a few moments.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. Will the Senator make a brief explanation as to what changes were made in conference in the bill as it passed the Senate?

Mr. HOLLAND. I am glad to advise the Senate that the conference report is only a formality because the House agreed to recede from its position and to accept the bill as passed by the Senate. The report so shows.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. CLEMENTS. Mr. President, I should like to commend the Senator from Florida [Mr. HOLLAND], who was chairman of the conference, and also chairman of the subcommittee which handled this measure in the Committee on Agriculture and Forestry. He has produced a fine bill. The proof of that fact is the readiness with which the House accepted it when it went to conference.

The Senator from Florida deserves high commendation for the understanding way in which he approached the problem of making corn and wheat, in the processed form of meal and flour, available to those in distressed areas where the distribution will be made and to whom they mean so much.

THE 96TH INFANTRY RESERVE DIVISION

Mr. MANSFIELD. Mr. President, I have just received a letter from C. J. Hauck, Jr., brigadier general, Chief of Legislative Liaison, to the effect that the 96th Reserve Division, composed of personnel from the States of Montana, Idaho, Utah, and Arizona, is being given an opportunity once again to be considered for retention in the Active Reserve.

I hold in my hand a letter from General Hauck, to which is attached a copy of a letter written to the Senator from Massachusetts [Mr. SALTONSTALL] by Franklin L. Orth, Deputy Assistant Secretary of the Army, in which the announcement is made that the Department of the Army has decided to hold in abeyance action redesignating and reorganizing the 96th Infantry Division, USAR.

The pertinent paragraph of the letter reads as follows:

It has been decided to hold in abeyance action to redesignate and reorganize the 96th Infantry Division as a Maneuver Area Command pending a thorough study and evaluation of the effects of the legislation upon the USAR divisions in the Sixth Army Area, and a reexamination by the Sixth Army commander of his decision based upon this evaluation. Until these studies have been accomplished, the 96th Infantry Division will retain its current organizational structure.

Mr. President, that is good news indeed for the 3,000 members of the 96th Division. I am sure it will serve to boost their morale. I know I speak in behalf of the Senators from the States of Arizona, Idaho, Utah, and Montana, when I say to General Hauck and to Assistant Secretary Orth that we are happy and delighted that the decision which would have broken up the 96th Infantry Division is being held in abeyance, and that we have confidence that, on the basis of a reevaluation, this outstanding infantry division will retain its component units.

Mr. President, I ask unanimous consent that the two letters be made a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D. C., July 27, 1955.

HON. MICHAEL J. MANSFIELD,
United States Senate.

DEAR SENATOR MANSFIELD: Attached for your information is a copy of a letter from Mr. Franklin L. Orth, Deputy Assistant Secretary of the Army for Manpower and Reserve Forces, which announces the decision of the Department of the Army to hold in abeyance action to redesignate and reorganize the 96th Infantry Division, USAR.

Sincerely,

HARRY J. WHEATON,
Colonel, GS,
Deputy Chief of Legislative Liaison.
C. J. HAUCK, Jr.,
Brigadier General, GS,
Chief of Legislative Liaison.

JULY 27, 1955.

HON. LEVERETT SALTONSTALL,
United States Senate.

DEAR SENATOR SALTONSTALL: On July 15 I wrote to you in accordance with your request and furnished information pertaining to the proposed change in status of the 96th Infantry Division, USAR. Since writing to you, further consideration has been given to the status of the USAR divisions in the Sixth Army area.

It has been decided to hold in abeyance action to redesignate and reorganize the 96th Infantry Division as a maneuver area command pending a thorough study and evaluation of the effects of the legislation upon the USAR divisions in the Sixth Army area and a reexamination by the Sixth Army Commander of his decision based upon this

evaluation. Until these studies have been accomplished, the 96th Infantry Division will retain its current organizational structure.

May I again express the appreciation of the Department of the Army for your interest in the Reserve program.

Most sincerely yours,

FRANKLIN L. ORTH,
Deputy Assistant Secretary of the Army.

VISIT TO THE SENATE BY DISTINGUISHED VISITORS FROM AUSTRALIA

Mr. ANDERSON. Mr. President, approximately a year ago a delegation from the Joint Committee on Atomic Energy visited various parts of the world, and particularly Australia. The able Senator from Ohio [Mr. BRICKER] was a member of that group and enjoyed the hospitality of the Australian people. Today at a luncheon we tried to express our joy that some distinguished visitors from Australia are now in the United States.

I should like to present to the Senate Mr. Howard Beale, a Member of Parliament and the Minister of Supply for the Government of Australia; our old friend, Sir Percy Spender, the Australian Ambassador to the United States; and Sir John Stevens, Chairman of the Australian Atomic Energy Commission.

[Great applause, Senators rising.]

Mr. President, I desire to say that the relationship between our Joint Committee on Atomic Energy and the Minister of Supply for the Government of Australia, under whom the Atomic Commission of Australia operates, has been cordial at all times, and we are very happy to welcome these gentlemen and to express our appreciation of the courtesies which were shown to the members of our committee when they visited Australia. I am glad to have the opportunity to present them to the Senate.

Mr. BRICKER. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am happy to yield to the Senator from Ohio.

Mr. BRICKER. Mr. President, I wish to join with the Senator from New Mexico in a word of welcome and of appreciation to the three distinguished representatives of Australia who have come into our midst. When we visited Australia they were most hospitable. We appreciate the fine work they are doing in the field of atomic energy. We hope they will enjoy their stay in Washington, and will come here again.

Mr. MANSFIELD. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. MANSFIELD. Mr. President, I should like to join with the senior Senator from New Mexico, Chairman of the Joint Committee on Atomic Energy, and the Senator from Ohio [Mr. BRICKER] in welcoming to this body this afternoon these distinguished men from "down under." We, of course, know the Ambassador quite well. He is quite a popular fellow in this city. We are happy to have an opportunity to meet these visitors from Australia with whom members of our own Joint Committee on Atomic Energy have had contact.

United States for farm employment. The duty of the Immigration and Naturalization Service is to see that entry into the United States is in compliance with our laws and that aliens illegally in this country are apprehended and deported. The duty and responsibility of the Department of Labor is to administer and enforce the laws relating to the employment of Mexican nationals as farm workers in the United States pursuant to this act, the agreement with the Government of Mexico, and a work contract with the Mexican national.

While these responsibilities relate to the same general subject, they are by no means identical or overlapping. Each agency has its own duties to perform in its own field and, from evidence presented to the House committee, which went exhaustively into this subject, it appears that both the Department of Labor and the Immigration and Naturalization Service have, particularly in the past year, been doing a very effective job.

It was the sense of the committee of conference that there has been substantial improvement in the situation in the past few months as the result of effective administration and the cooperation of these two agencies of government. It was the further sense of the committee that there should continue to be a high degree of cooperation. If the Immigration Service, in the performance of its duties, has information which would indicate a violation of the work agreement, it should furnish that information to the Department of Labor in order that the agency to which Congress has delegated the responsibility of administering the program may take appropriate action under the procedures authorized by the act and written into the international agreement.

It is in anticipation of this type of cooperation that the committee of conference has agreed to the 3½ years' extension of the act as provided in the House bill. It is the view of the committee, however, that the respective legislative committees of the House and Senate should maintain a close oversight of this program and that the agencies concerned should keep the chairman of the respective committees informed of their operations in this field not less frequently than once each 6 months.

HAROLD D. COOLEY,
W. R. POAGE,
G. M. GRANT,
E. C. GATHINGS,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

MEAL AND FLOUR FOR RELIEF PURPOSES

Mr. COOLEY submitted the following conference report and statement on the bill (H. R. 2851) to authorize the Commodity Credit Corporation to reprocess food commodities for donation under certain acts:

CONFERENCE REPORT (H. REPT. No. 1450)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD P. HOPE,
AUGUST H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
JOHN J. WILLIAMS.

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, submit the following statement in explanation of the action agreed upon and recommended in the accompanying conference report:

As passed by the House, this bill transferred from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare responsibility over the distribution of surplus agricultural commodities for relief purposes in two specific types of distress areas—those designated by the Secretary of Labor as areas of "substantial labor surplus" and those designated by the President as warranting assistance by the Federal Government under Public Law 875, 81st Congress, because of a major disaster.

Those agricultural commodities of a perishable nature which are acquired by the Commodity Credit Corporation in its price-support operations and must be disposed of within a limited period in order to avoid deterioration and spoilage, would have been donated to the Department of Health, Education, and Welfare without charge for use in its relief operations. Storable commodities, such as grains, would have been processed into flour or meal at the request of the Department of Health, Education, and Welfare, transferred to that agency for relief distribution, and the cost thereof charged to that Department.

The bill as passed by the House gave expression to the principle which has often been stated by the Committee on Agriculture that a line of distinction should be drawn between that distribution of surplus agricultural commodities which is a necessary and integral part of our support program and that distribution which does not contribute directly to the farm program but which is, in fact, a relief operation. The free distribution of cereals which are not in imminent danger of deterioration or spoilage, particularly when such distribution is in the form of processed products, is clearly within the field of relief operations and not a part of the farm program. No matter how worthy the operations may be, it is clearly one which should be charged to relief and welfare and not to agriculture.

The Senate amendment strikes out all of the provisions of the House bill and substitutes the provisions of a Senate bill which merely authorizes, until June 30, 1957, distribution of wheat flour and cornmeal to needy individuals and families upon the specific request of the governor of a State. The distribution to a central location or locations in each State will be made by the Secretary of Agriculture using funds, limited to \$15 million a year, available under section 32 of the act of August 25, 1935.

The conferees on the part of the House have reluctantly accepted the Senate substitute not because they have changed in any degree their belief in the principle represented by the House bill but because they know that the need among unemployed coal miners and others is very great and believe that the only possibility of affording them this relief at the present time is to accept the Senate amendment.

The committee of conference considered making the relief action mandatory, rather than a mere authorization as contained in the Senate amendment. The conferees on the part of the House did not insist upon this change on assurance that the Senate amendment has the approval of high officials of the Department of Agriculture and that the Department does, in fact, intend to carry out the authorized program.

HAROLD D. COOLEY,
GEORGE M. GRANT,
W. PAT JENNINGS,
CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WILLIAM S. HILL,

Managers on the Part of the House.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS ACT OF 1955

Mr. FALLON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7474) to amend and supplement the Federal Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7474, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Michigan [Mr. DONDERO] as amended by the amendment of the gentleman from Washington [Mr. MACK].

Are there further amendments?

Mrs. ST. GEORGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to clear up some possible misunderstanding about something that took place on the floor of this House yesterday. I inserted in the RECORD a telegram signed by James A. Farley. This morning I received a message from Mr. James A. Farley, the former national chairman of the Democratic Committee, the former Postmaster General, and a very distinguished citizen of the State of New York. Mr. Farley authorized me to tell the House of Representatives that he had sent and signed the telegram that I placed yesterday in the RECORD.

Mr. BECKER. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. BECKER. May I say to the gentlewoman that I corroborate what she has said, because I spoke to Jim Farley the other night, and he told me he sent me that telegram. I appreciate his sending it to me. I was not on the floor yesterday, but I want to corroborate what the gentlewoman has just said.

Mrs. ST. GEORGE. I put that telegram in the RECORD yesterday.

Mr. BUCKLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. BUCKLEY. I am not surprised that Mr. Farley sent to the Republican Members of this House a telegram asking them to vote against the Democratic bill. No doubt, his present views are influenced by his business association with the General Motors Truck Corp.

Mrs. ST. GEORGE. I might say to the gentleman that Mr. Farley said in his telegram to us that he had sent the same telegram to you. He may not consider you a member of the Democratic side of the House. That I do not know.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. FULTON. I would like to comment, too, that I have received a telegram from the Democratic mayor of Pittsburgh, Mayor David Lawrence, interceding with me to try to prevent the coming up of the natural gas bill which he felt the Democratic leadership of the House and the Democratic side of the House was going to bring up and cost the consumers of this country millions of dollars in the closing hours of Congress when adequate consideration could not be given. And further I received another letter today from the Democratic mayor of Philadelphia, joined by the Democratic mayors of New York City and Pittsburgh, quoting former President Harry Truman, to prevent the passage of this bill, which they feel would cost the consumers of the East and West so much money.

Mrs. ST. GEORGE. I am sure the gentleman will agree with me that many of these questions transcend party politics.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. MCGREGOR. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Michigan [Mr. DONDERO].

The Clerk read as follows:

Amendment offered by Mr. MCGREGOR: On page 22, after line 20 and after the period insert "(d) and the following: 'All agreements between the Secretary and the State highway department for the construction of projects on the National System may contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain such provisions as the Secretary feels necessary to insure that the users of the National System will receive the benefits of free competition in purchasing supplies and services at or adjacent to highways in such system, and such agreements shall also contain a clause providing that the State will not permit automotive service stations or

other commercial establishments to be constructed or located on the right-of-way of the National System in such State'."

Mr. MCGREGOR. Mr. Chairman, I have submitted this amendment to both the minority and the majority sides. It was accepted in our committee. It simply puts into the Dondero substitute the same wording as was accepted by our committee, I think, by unanimous vote when we were discussing the Fallon bill against monopoly. It simply assures the people protection. I ask for its adoption, Mr. Chairman.

Mr. FALLON. Mr. Chairman, I think it is a fine amendment, and we have no objection to it.

Mr. SMITH of Virginia. Mr. Chairman, may we have the amendment reread?

The CHAIRMAN. Without objection, the Clerk will reread the amendment offered by the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Chairman, if I might be recognized for a moment, I might point out to my distinguished friend, the gentleman from Virginia, the language of the amendment is to be found on page 28 of the bill, H. R. 7474, or Mr. Fallon's bill. It is the exact wording as included in the Fallon bill.

Mr. SMITH of Virginia. What does the amendment do?

Mr. FALLON. Mr. Chairman, the President's Advisory Committee on the National Highway Program considered the type of marketing concessions along the interstate system to be a matter of great importance. In the report entitled, "Ten Year National Highway Program" the committee pointed out that in the constructing and the control of the highway system, care should be exercised to assure that traditional free enterprise is promoted and no monopolistic tendencies develop in the provision of needed facilities to service the highway users with food, lodging, vehicles, fuel and similar needs.

That was brought out because on some of the toll roads in the country, the right to do business along the right-of-way is sold to bidders to put up eating establishments and gasoline stations and one company may get all the stations along many miles of highway so that if a motorist needs gasoline on any particular section of the highway, he will have to pay whatever price the particular company may want to charge because there is no free competition on that highway.

Mr. SMITH of Virginia. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. SCHERER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHERER to the amendment offered by Mr. DONDERO: On page 22, after line 20, insert a new section as follows:

"SEC. 209. (a) The Secretary of Commerce, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, is authorized to place 2 positions in the Bureau of Public Roads

in grade 18 and a total of 20 positions in grades 16 and 17 of the General Schedule established by the Classification Act of 1949, as amended. Such positions shall be in lieu of any positions in the Bureau of Public Roads previously allocated under section 505 of such act.

"(b) The Bureau of Public Roads shall hereafter be known as the Public Roads Administration, and the Office of the Commissioner of Public Roads is hereby abolished. The head of the Public Roads Administration shall be an Administrator appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive basic compensation at the rate prescribed by law for assistant secretaries of executive departments, and shall perform such duties as may be imposed upon him by law, regulation, or orders of the Secretary of Commerce."

Mr. JONES of Alabama. Mr. Chairman, I reserve a point of order against the amendment on the ground that the Reclassification Act is not germane, and that the amendment is not germane to the bill.

Mr. SCHERER. Mr. Chairman, this amendment is section 14 (a) and section 14 (b) of the Fallon bill.

If the Dondero substitute should pass, it is felt that this amendment is necessary and proper insofar as the Dondero substitute is concerned.

It is my recollection that in voting out the Fallon bill the committee almost unanimously agreed that this amendment was a necessity. What is happening is this: As we all know, there is a tremendous lack of engineers in this country, and even at the present time with this accelerated road program which we hope will pass, the Bureau of Public Roads is losing engineers daily. As an example, an engineer in the Bureau of Public Roads who is now receiving \$11,000 has been offered \$29,000 to go with a private concern. If this road legislation should become law, you can easily see the tremendous need for this type of engineer, and the Bureau of Public Roads will have further pressures put on its engineers, and you will find them leaving in greater numbers. So the committee, as I said, almost unanimously felt that this section was necessary whereby at least we have two positions in grade 18. There are no positions now in the Bureau of Public Roads in grade 18 which pay \$14,800. That is a low salary in private enterprise for engineers of this caliber.

There are at present in the Bureau of Public Roads five positions in grade 16. This amendment, of course, asks that there be 20 positions. With this accelerated program, you can readily see that in order to carry it out, we are going to need additional engineers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SCHERER. I yield.

Mr. GROSS. What is the total number of supergrade employees proposed by the gentleman's amendment?

Mr. SCHERER. The amendment proposes only 2 in grade 18 at a salary of \$14,800 and asks for 20 positions in grades 16 and 17, whereas at the present time we have 5.

Mr. GROSS. That makes a total of how many?

13. FARM PROGRAM. Sen. Symington charged "political manipulation in the farm program in Missouri"; and Sen. Humphrey joined him in the statement (pp. 10519-29).
14. WATER POLLUTION. Sen. Duff urged water-pollution control as a means of conserving water (pp. 10529-30).
15. FARM CREDIT. H. R. 5168, the FCA bill, was made the unfinished business (p. 10546).

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16. SUPPLEMENTAL APPROPRIATION BILL, 1956. Received the conference report on H. R. 7278 (pp. 10460-4). Attached to this Digest is a statement showing actions on the USDA items in this bill.
17. HOUSING. Passed, 396 to 3, S. 2126, the housing bill, with an amendment by Rep. Wolcott in the nature of a substitute (pp. 10444-43). The Wolcott amendment, which was agreed to by a vote of 217 to 188, does not include the provision for continuation of the farm housing program which has been authorized for administration by this Department. House and Senate conferees were appointed (pp. 10443, 10505).
18. SUGAR. Agreed to a resolution/
to
provide for debate on H. R. 7030, to amend and extend the Sugar Act (pp. 10445-6).
19. DEFENSE PRODUCTION. Began debate on H. R. 7470, to amend and extend the Defense Production Act (pp. 10445-50).
20. FARM LABOR. Agreed to the conference report on H. R. 3822, which provides for a $3\frac{1}{2}$ year extension (until June 30, 1959) of the Mexican farm-labor program, relieves employers of double liability for the cost of returning a worker to Mexico where the employer has paid once for such movement but the Mexican does not return and is later apprehended, and specifies that the Secretary of Labor is to obtain information on the availability of domestic workers, prevailing wage rates, and labor shortages in the area, then post publicly the number of workers to be imported (p. 10401). This bill will now be sent to the President.
21. SURPLUS COMMODITIES. Agreed to the conference report on H. R. 2851, to authorize the Secretary of Agriculture, until June 30, 1957, upon request of a State Governor, to distribute to the State wheat flour and corn meal owned by CCC using Sec. 32 funds limited to \$15 million a year (p. 10402). This bill will now be sent to the President.
22. PERSONNEL. House conferees were appointed on H. R. 4048, making recommendations to the States for legislation to permit and assist Federal personnel to vote (pp. 10444-5).
23. WATER RESOURCES. Agreed to the conference report on H. R. 3990, to authorize the Interior Department to investigate and report to Congress on projects for the conservation, development, and utilization of water resources of Alaska (pp. 10394-5). This bill will now be sent to the President.
24. PERSONNEL. Passed as reported H. R. 7618, to increase annuities of retired employees by 12% on the first \$1,500 and 8% thereafter up to \$4,000, with a gradual reduction in the increases until they end on Dec. 31, 1957 (pp. 10395-6).
25. WATER COMPACT. Passed as reported S. 2660, consenting to a compact among Ark.,

Tex.,

La.,/and Okla. regarding Red River basin waters (p. 10395).

The Public Works Committee reported with amendments H. R. 6256, consenting to a compact of Kans. and Okla. regarding Arkansas River Basin waters (H. Rept. 1592)(p. 10466).

26. RECLAMATION. House conferees were appointed on H. R. 5881, to provide for Federal cooperation in non-Federal reclamation projects, etc. (p. 10395). Senate conferees were appointed July 28.
Rep. Pfost spoke in favor of the Hells Canyon project (p. 10402).
Received from the Interior Department a report on the Ventura project, Calif. (H. Doc. 222); to Interior and Insular Affairs Committee (p. 10465).
The Interior and Insular Affairs Committee reported without amendment S. 180, to authorize the Washita River Basin project, Okla. (H. Rept. 1582)(p. 10466).
27. SURPLUS PROPERTY; CIVIL DEFENSE. Passed as reported H. R. 7227, to amend the Federal Property and Administrative Services Act of 1949 so as to authorize disposal of surplus property for civil defense purposes (pp. 10396-7).
28. PROPERTY; TAXATION. Passed without amendment H. R. 6182, to amend the Federal Property and Administrative Services Act so as to make temporary provision for payments in lieu of taxes with respect to certain real property transferred by RFC to other Government departments (pp. 10397-401).
29. FARM-CITY WEEK. Rep. Ashmore requested consideration of H. J. Res. 317, to provide for Farm-City Week, but Rep. King, Pa., objected (p. 10404).
30. PUBLIC LANDS; MINING. House and Senate conferees were appointed on H. R. 100, to permit the mining, development, and utilization of mineral resources of all public lands withdrawn or reserved for power development (pp. 10445, 10530).
31. REORGANIZATION; PAPERWORK. Rep. Holifield criticized the Hoover Commission procedure in connection with the study on paperwork (pp. 10457-9).
32. WILDLIFE CONSERVATION. The Merchant Marine and Fisheries Committee reported without amendment S. 756, to authorize the appropriation of accumulated receipts in the Federal-aid wildlife-restoration fund (H. Rept. 1756)(p. 10466).
33. LIBRARY SERVICES. The Education and Labor Committee reported without amendment H. R. 2840, to promote the further development of public library service in rural areas (H. Rept. 1587)(p. 10466).

ITEMS IN APPENDIX - July 29

34. SUGAR. Rep. Utt inserted the testimony of Oscar L. Chapman on the sugar bill (pp. A5612-14).
35. TOBACCO. Rep. Lankford inserted an editorial favoring purchase of Swiss products so as to enable the Swiss to purchase American tobacco (p. A5614).
36. PERSONNEL. Rep. Hoffman inserted a Saturday Evening Post article, "Loyalty Boards Can Err, but We Still Need Them"(p. A5622).
37. FARM PROGRAM. Sen. Humphrey inserted a Democratic Digest article charging "pledges and hedges" regarding the farm program by the administration (pp. A5624-5).

to be charged to the General Electric plant.

It is pointed out that police coverage was furnished. Who paid the cost? The long-suffering taxpayers of the city of Everett. It is interesting to note that at the time of the request for police protection no request was made for same by the Federal Government who are supposedly owners of the plant. Here we have a Government-owned plant which is operated by a private corporation for one purpose and one purpose only: that of making a profit for the stockholders of the company. While it is perfectly clear that this is a legitimate ambition and one to be encouraged under our free-enterprise system, it also seems to me that such a company which is privately operated should not be operated at the expense of the long-suffering local taxpayers of the city of Everett.

It is clearly not fair nor in keeping with the best tradition of the free-enterprise system to have property of this nature tax free while other similarly located plants pay their fair share of costs to the city from whence their necessary local services flow.

I ask the question: Why should the Army Air Force be the first of a number of Government agencies to refuse to pay taxes when in fact the Army Air Force does not run the factory but merely is the fee holder of ownership papers? It is perfectly clear that the General Electric Corp. runs and operates this factory, and it is equally clear that General Electric, along with the other industries of the city of Everett, should pay their fair share of the tax-poor city.

The city of Everett has a population of some 46,000 but an area of only 3.61 square miles, so you can readily see that available land is at a premium and that the city of Everett can ill afford to lose any valuation. Their assessed valuation, both real and personal, approximates some \$99 million. There are in the city of Everett 6 major industries, 5 of which pay taxes, and the sixth of which I speak does not, yet receives the same benefits and privileges as the other 5 major industries, including access to a highly skilled labor market.

I say to the members of this Committee that this situation in Everett cannot be permitted to go on year after year. It is clearly not fair that this transfer of property from one Government agency to another Government agency should change the tax rights. The first Government agency paid taxes to the city of Everett, why should the second Government agency, acting merely in its capacity as landlord, not pay. The inhabitants of the city of Everett, as a majority, are a working class ranging in salary from \$3,000 to about \$6,000 per year, with the average home being assessed in the neighborhood of \$5,000. The good people of Everett can no longer afford to carry the United States Government or the General Electric Co. on their back to the tune of a \$2 million valuation free ride.

It is to meet situations of that character that this proposed legislation was introduced.

Some 60 other properties, largely industrial in nature, in 20 States would also be affected by my bill, according to a list furnished by the Bureau of the Budget. I would like to point out that the payments assured by my bill will provide badly needed revenue for State and local governments and school districts in which those plants are located. In my home State of Massachusetts there are at least four such plants receiving services such as sewage disposal and water without reimbursing localities in like proportion to other similar plants. It has also been brought to my attention that school districts throughout the Nation have been educating children of parents employed in many of those federally owned plants also without paying for those services in like proportion to other school taxpayers.

The President has recognized the plight of local units of governments and their difficulty in obtaining adequate revenue to provide necessary local services, particularly in the light of heavy Federal taxation and extensive real property holdings by Federal agencies. In fact, on March 30, 1953, he requested the establishment of a commission to study and make recommendations with respect to the Federal Government programs as they affect States and their political subdivisions. This Commission, better known as the Commission on Intergovernmental Relations, after 2 years of study, has recently filed its comprehensive report. On the subject of payment in lieu of taxes the Commission said in part:

The Commission recommends that the National Government inaugurate a broad system of payments in lieu of property taxes to State and local governments. The most important class of properties on which such payments should be made is commercial or industrial properties. Special assessment payments and transitional payments in lieu of taxes should be made in certain cases.

The Commission believes that these payments are necessary to help preserve financially healthy local governments. Present tax immunities of Federal property have weakened many local governments. The States and the National Government share in the responsibility for avoiding actions which impair the financial ability of local governments. Equity as between Federal and local taxpayers requires the National Government to make appropriate payments. These should be based largely on the property tax system, which is the main source of local revenue.

I am happy that the Commission on Intergovernmental Relations endorses the objective of this bill. I am firmly of the opinion that the Federal Government does have an obligation and a positive duty to correct situations that arise through no fault of the local governments whose tax base is being whittled away through exemption rights possessed by the Federal Government.

I sincerely hope that favorable consideration by the Congress can be given this bill in order to alleviate the financial injustice to municipalities which exists under the present state of our law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MEADER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H. R. 6182, immediately prior to the passage of that bill today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

POLIOMYELITIS VACCINATION PROGRAM

Mr. O'NEILL (at the request of Mr. SMITH of Virginia), from the Committee on Rules, reported the following privileged resolution (H. Res. 330, Rept. No. 1574), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7126) to provide grants to assist States to meet the cost of poliomyelitis vaccination programs, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CONSIDERATION OF CONFERENCE REPORTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that during the remainder of the 1st session of the 84th Congress it shall be in order to consider conference reports at any time they are reported, notwithstanding the provisions of clause 2, rule XXVIII.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MEXICAN FARM LABOR—CONFERENCE REPORT

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 3822) to amend title V of the Agricultural Act of 1949, as amended, and I ask unanimous consent that the report be read rather than the statement.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the title of the bill.

The Clerk read the conference report.

(For conference report and statement, see proceedings of the House, July 27, 1955.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to; a motion to reconsider was laid on the table.

MEAL AND FLOUR FOR RELIEF

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H. R. 2851) to authorize the Commodity Credit Corporation to process food commodities for donation under certain acts, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House July 27, 1955.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to; a motion to reconsider was laid on the table.

HELLS CANYON

(Mrs. PFOST asked and was given permission to extend her remarks at this point in the RECORD and include an editorial.)

Mrs. PFOST. Mr. Speaker, the Hells Canyon fight is approaching a climax. Subcommittees of both the House and the Senate have held successful hearings and reported the Hells Canyon bill. Final oral arguments have been heard by the Federal Power Commission on the Idaho Power Co. application to squander the great Hells Canyon site by building one or more low, single-purpose power dams, and an FPC decision is expected in the near future.

Those of us who are fighting for full multiple-purpose development of a great natural resource that belongs to all of the people were heartened yesterday by the appearance in the New York Times of an editorial supporting the Federal Hells Canyon Dam. The endorsement of this important eastern newspaper is indicative of the vast significance of the Hells Canyon fight not only to the people of the West but to those to the East and South as well.

Under unanimous consent, I include the editorial in the CONGRESSIONAL RECORD as part of my remarks:

[From the New York Times of July 28, 1955]

HELLS CANYON

Hells Canyon, in the remote fastnesses of the Snake River on the Oregon-Idaho border, is one of the finest unexploited power sites in the country. For at least 8 years the dispute has raged over the question of how the great hydroelectric potential there should be developed, whether by public or private enterprise. The solution cannot be put off much longer.

Senator MORSE and a large number of other Senators have been sponsoring a bill authorizing Federal construction of a 600-foot dam at Hells Canyon to produce over 900,000 kilowatts of power, as one more giant addition to the integrated system of Federal dams in the Columbia Basin. The Idaho Power Co., on the other hand, is proposing to build three smaller dams on the river, producing fewer kilowatts, as a strictly private operation. One thing is certain: one side or the other will have to give, because

the high Federal dam and the three small private dams are incompatible.

It seems to us that the Federal proposal for a high dam at Hells Canyon would provide for realization of the full potentialities of this enormously valuable water resource, while the company's proposal for a series of low dams—only one of which would be authorized at the present time—would lead to a piecemeal development of the river and probably prevent its full utilization.

This is a natural resource that belongs to all the people. It seems clear that the maximum benefit from the resource in this case, in respect to power, irrigation, navigation, and the other facets of an integrated river program, can only be obtained by large-scale Federal investment.

ORRIN J. BISHOP—CONFERENCE REPORT

Mr. LANE submitted the following conference report and statement on the bill (H. R. 4249) for the relief of Orrin J. Bishop:

CONFERENCE REPORT (H. REPT. No. 1569)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4249) for the relief of Orrin J. Bishop, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

THOMAS J. LANE,

E. L. FORRESTER,

WILLIAM E. MILLER,

Managers on the Part of the House.

HARLEY M. KILGORE,

PRICE DANIEL,

HERMAN WELKER,

JOHN M. BUTLER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4249) for the relief of Orrin J. Bishop submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill as passed by the House would permit the payment of attorney fees not in excess of 10 percent. The Senate amended the bill by striking out this provision and stated that no part of the appropriation in this act shall be paid to any attorney or agent. At the conference the House conferees agreed to the Senate amendment.

THOMAS J. LANE,

E. L. FORRESTER,

WILLIAM E. MILLER,

Managers on the Part of the House.

SPECIAL ORDERS GRANTED

Mr. HOLIFIELD asked and was given permission to address the House for 15 minutes today, following the legislative business and any special orders heretofore entered, and to revise and extend those remarks.

Mr. O'HARA of Illinois asked and was given permission to address the House for 30 minutes today, following the legislative business and any special orders heretofore entered, and to revise and extend those remarks.

COL. McFARLAND COCKRILL

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2747) for the relief of Col. McFarland Cockrill, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 1, line 3, after "That" insert ", except as hereinafter provided."

Page 1, line 10, strike out all after "inclusive" over to and including line 4 on page 2 and insert "Provided, however, That any sums heretofore withheld from the retired pay of Colonel Cockrill shall be retained by the United States."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in; a motion to reconsider was laid on the table.

PRISCILLA LOUISE DAVIS

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1751) for the relief of Priscilla Louise Davis, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, strike out "1943" and insert "1942."

Page 2, lines 5 and 6, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in; a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program of the day and any special orders heretofore entered.

(Mr. BROWNSON asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. BROWNSON'S remarks will appear hereafter in the Appendix.]

CONTINUE EFFECTIVENESS OF ACT OF JULY 17, 1953, PROVIDING CERTAIN CONSTRUCTION AND OTHER AUTHORITY

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1138) to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177), as amended, providing certain construction and other authority.

The Clerk read the title of the bill.

Public Law 311 - 84th Congress
Chapter 671 - 1st Session
H. R. 2851

AN ACT

All 69 Stat. 608.

To make corn meal and wheat flour available to needy persons.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is hereby authorized upon specific request of the Governor of any State during the period commencing with the date of this Act and ending June 30, 1957, to make available, pursuant to clause (2) of section 32 of the Act approved August 24, 1935 (7 U. S. C. 612c) for distribution by State agencies, other than institutions and schools, directly to families and persons determined by appropriate State or local public welfare agencies to be in need, wheat flour and corn meal in such quantities as the Secretary of Agriculture determines can be effectively distributed and utilized within such period without regard to the requirement contained in said section 32, that such funds be devoted principally to perishable nonbasic agricultural commodities and their products, but not more than \$15,000,000 of such funds shall be devoted in any fiscal year to carrying out this Act. Such flour and meal shall be made available by the Secretary upon such conditions as he deems to be in the public interest, to such State agency or agencies as may be designated by the proper State authority and approved by the Secretary, and at one or more central locations in such State.

Agriculture.
Corn meal and
wheat flour for
relief.

49 Stat. 774.

Approved August 9, 1955.

